

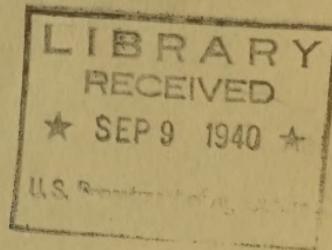
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# Instructions Pertaining to Cotton Marketing Quotas for 1940

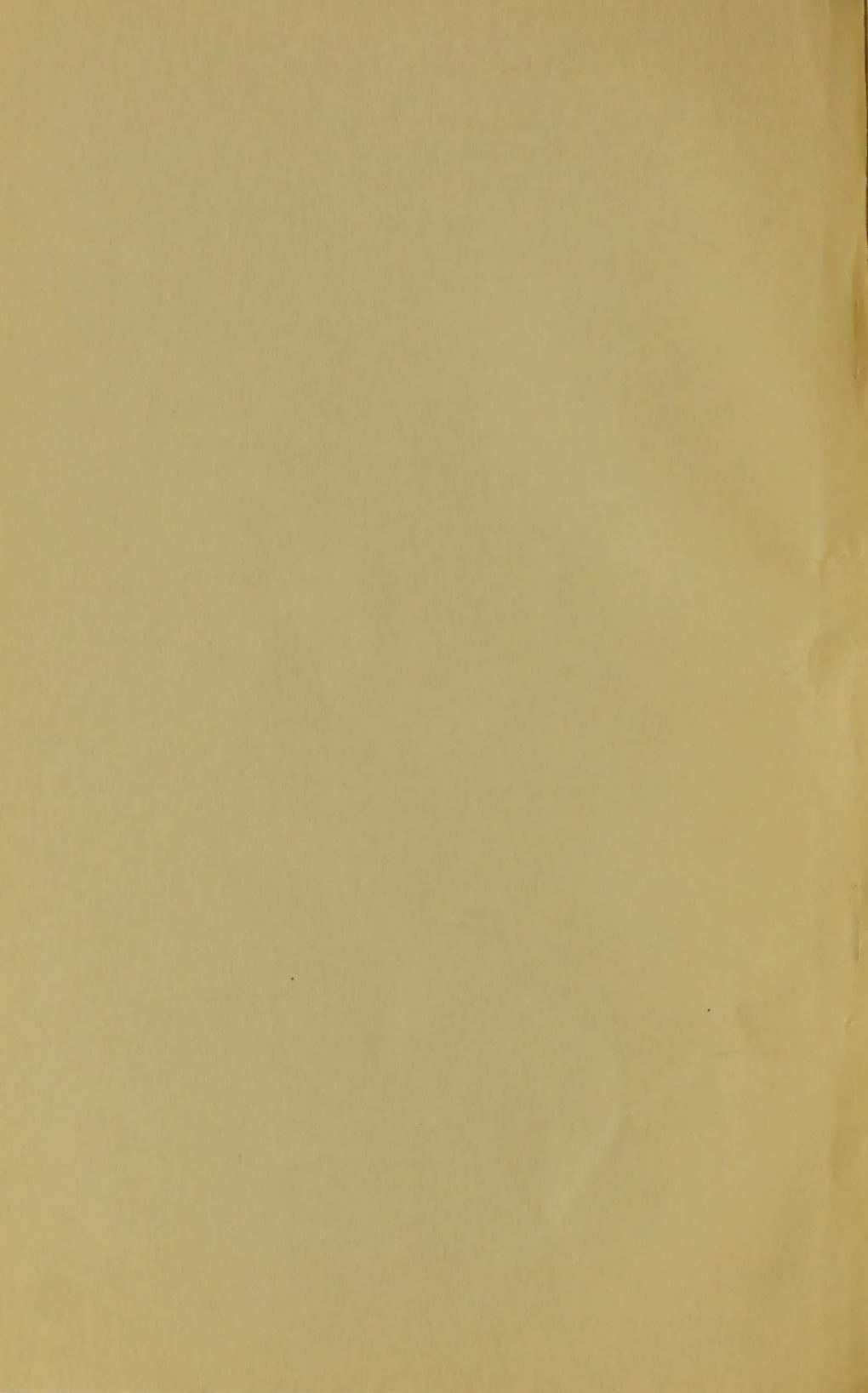
## Part II. *County Office Records and Reports*

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Issued June 1940



UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
WASHINGTON, D. C.



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Part II. *County Office Records  
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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON: 1940

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## **INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR 1940**

### **PART II. COUNTY OFFICE RECORDS AND REPORTS**

#### **A. MISCELLANEOUS**

##### **Sec. 201. General Instructions**

Part II of these instructions relates to specific provisions of Cotton 407, Regulations Pertaining to Cotton Marketing Quotas for the 1940-1941 Marketing Year (herein referred to as "the regulations"), and outlines the nature, use and accounting for of certain forms, records, reports, accounts, and files of the county committee in connection therewith. The instructions are concerned primarily with the duties of the county committee and the treasurer of the county committee. The records, reports, accounts, and files prescribed by the regulations and these instructions shall at all times be subject to periodic as well as special examination and audit by authorized representatives of the Secretary of Agriculture or the Agricultural Adjustment Administration. When any treasurer of a county committee is succeeded in office, the retiring treasurer shall prepare a statement of the status of the records, reports, accounts, and files and transmit it to the secretary of the State committee. The report shall include the use and disposition of the serially numbered forms consigned to the county committee and the amount of money received and certified for refund or to be covered into the general fund of the Treasury of the United States. The incoming treasurer shall be furnished with a copy of the report and he shall report to the secretary of the State committee whether the report is true and complete. If the retiring treasurer is not in a position to prepare the report, the report shall be prepared and filed by the incoming treasurer. A representative of the State committee (herein referred to as the "auditor") shall also examine the records and accounts to determine whether the reports of the incoming and retiring treasurers are correct.<sup>1</sup> Each form mentioned herein is a "Cotton" form unless otherwise designated.

##### **Sec. 202. Designation of Farm Serial Numbers**

The farm serial number referred to in the regulations and these instructions for any farm shall be the serial number assigned to the farm for the purposes of the 1940 Agricultural Conservation Program.<sup>2</sup>

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<sup>1</sup> Sec. 705 of the regulations.

<sup>2</sup> Secs. 101 (b) 39 and 402 of the regulations.

### Sec. 203. Procedure for Transmitting, Receiving, and Storing Serially Numbered Forms

All forms printed with serial numbers<sup>3</sup> will be consigned to the county committee by the State office of the Agricultural Adjustment Administration (herein referred to as the State office), and each shipment thereof will be accompanied by the original and one copy of a letter of transmittal on Form 452. The treasurer of the county committee shall ascertain the correctness of each shipment by comparing the serial numbers of the particular form received with those shown on Form 452 and any discrepancies shall be noted on the original and copy of Form 452. The original of Form 452 shall be signed by the treasurer of the county committee as a receipt for such forms and returned to the State office within 5 days after the day the forms were received. All copies of a serially numbered form shall be filed together and so arranged that they will be issued or used in consecutive serial number order and may be examined by any representative of the Secretary of Agriculture or the Agricultural Adjustment Administration. It shall be the duty of the treasurer of the county committee to account for the disposition of all serially numbered forms by recording the issuance thereof on the records maintained in the office of the county committee (herein referred to as the county office), or by receipts on Form 452 for unused forms returned to the State office or forwarded to other county offices at the direction of the State office.

### B. PUBLICATION AND NOTICE OF ACREAGE ALLOTMENTS, NORMAL YIELDS, AND FARM MARKETING QUOTAS

#### Sec. 204. Publication of Farm Acreage Allotments, Normal Yields and Marketing Quotas<sup>4</sup>

(a) **Preparation of Forms 410 and 410-A.**—As soon as cotton acreage allotments and normal yields per acre of lint cotton for farms in a county have been approved by the State office, the county committee shall have Forms 410 and 410-A prepared as follows:

1. Three copies of Form 410 and one copy of Form 410-A shall be prepared at the same time in the same typing operation, Form 410 being the original and the third and fourth copies, and Form 410-A being the second copy. Since Form 410-A is wider than Form 410, it will be necessary to fold under columns G through K of Form 410-A in typing the set.

2. In the spaces indicated enter the page numbers, the State and county code number, the marketing year, which shall be designated by the symbol "1940-1941", the name of the county, and the name of the State.

3. The information and data for each farm in the county for which a cotton acreage allotment and normal yield per acre of lint cotton were established shall be entered in the numerical order of the farm serial numbers within the county (if the county is divided

<sup>3</sup> Forms 411; 411-A; 412 and 413; 414 and 415; 419; and 419-A.

<sup>4</sup> Sec. 302 of the regulations.

into two or more local administrative areas for the purpose of cotton marketing quotas, the farms in the county shall be grouped with regard to the administrative areas in which they are situated and listed separately by such groups) and the entries for each farm shall be made on a separate line. In the Western Region list the farms alphabetically by farm operators.

4. In column A enter the serial number of the farm.

5. In column B enter the name of the **operator** of the farm. In the Western Region, enter below the name of the farm operator the name of each producer on the farm.

6. In column C enter either the legal description or a description of the location of the farm or else the name by which it is commonly known.

7. In column D enter the cotton acreage allotment established for the farm as shown on forms SR-404 G or on ECR-407 or on ACP-108 or on NCR-409c.

8. In column E enter the normal yield per acre of lint cotton established for the farm as shown on Forms SR-404 G or on ECR-407 or on WR-402b or on NCR-409c.

9. In column F enter the normal production of the farm acreage allotment obtained by multiplying the amount of the normal yield per acre entered in Column E by the number of acres entered in column D.

10. Make no entries at this time in columns G through K.

11. The total of column D shall be entered on line 51 of the last page of the original and two copies of Form 410, but **not** on Form 410-A.

12. In case a farm acreage allotment and marketing quota are not established for any **new** farm on which cotton is planted in 1940 because application therefor was not made within the prescribed time limit, the farm, together with all farms similarly situated in the county or local administrative area, shall be listed on Form 410 and 410-A in the manner outlined above with the exceptions that (i) such farms shall be listed after all other farms in the county or local administrative area are listed, and (ii) the word "None" shall be entered in columns D, E, and F.

(b) **Distribution of Forms 410 and 410-A.**—Forms 410 and 410-A, prepared as indicated in paragraph (a), shall be distributed as follows:

1. The original Form 410 shall be placed in a binder and shall be permanently kept freely available for public inspection in the county office.

2. One copy of Form 410 shall be furnished to the county agent for the county, who shall keep the list permanently available for public inspection in his office.

3. One copy of Form 410 shall be posted for not less than 30 calendar days in a conspicuous place in the county, or in each administrative area if the county has been so divided. The first and last day of the period during which the list is posted shall be entered in the spaces indicated on the original Form 410 which is retained in the county office and on the copy which is posted.

4. Form 410-A shall be placed in a binder and retained in the county office.

(c) **Revision in amount of acreage allotment or normal yield.**—If either cotton acreage allotment or the normal yield per acre of lint cotton for any farm is revised after Form 410 is prepared, the entry in column D or column E, as the case may be, shall be corrected by marking through but not obliterating the original entry and by entering the revised figure above the original entry. A corresponding correction shall be made in column F. The total of column D on the last page of Form 410 shall likewise be changed. The revised figures shall not be published as provided in item 3 of paragraph (b) unless the correction may be made on the posted copy of Form 410 prior to the expiration of the period for which it is posted.

**Sec. 205. Notice of Farm Acreage Allotments, Normal Yields, and Marketing Quotas<sup>5</sup>**

(a) **Preparation of Form 409.**—As soon as cotton acreage allotments and normal yields per acre of lint cotton for farms in a county have been approved by the State office, the county committee shall have Form 409 prepared in duplicate as follows:

1. In the spaces indicated enter the State and county code number and farm serial number, the name and address of the farm operator, and either the legal description or a description of the location of the farm or else the name by which it is commonly known.
2. In item 1 enter the cotton acreage allotment established for the farm as shown in column D of Form 410.
3. In item 2 enter the normal yield per acre of lint cotton established for the farm as shown in column E of Form 410.
4. In item 3 enter the normal production of the farm acreage allotment as shown in column F of Form 410.
5. In the space provided for the address of the county committee in the portion of the form relating to the review of the quota, enter the name of the city and State in which the office of the county committee is located and the street address thereof.
6. After the notice is approved by the county committee, **one member of the committee shall sign the original and the copy and enter the date of his signature in the spaces indicated on the original and the copy.**

(b) **Distribution of Form 409.**—The distribution of Form 409 shall be as follows:

1. Mail the original to the operator of the farm. It must be deposited in the United States mails in an envelope addressed to the farm operator on the day, as indicated by the date following the signature of the committeeman, on which it was signed. Form 409 is the notice referred to in Sec. 203 of the Review Regulations (38-A. A. A.-2) and any application for a review of the quota must, as set forth in Sec. 300 of the Review Regulations, be made within 15 days after the mailing of the notice.
2. The copy, bearing the signature of the county committeeman and the date thereof, that is, **the date on which it was signed and mailed**, shall be placed in the folder for the farm or placed in a binder in the numerical order of the farm serial numbers.

<sup>5</sup> Secs. 303 and 307 of the regulations.

3. A copy of the executed Form 409, duly certified as true and correct by a member of the county committee or the secretary or treasurer thereof, shall, upon request, be furnished without charge to any person who as operator, landlord, tenant, or sharecropper is interested in the cotton produced in 1940 on the farm.

(c) **Revision in amount of acreage allotment or normal yield.**—If either the cotton acreage allotment or the normal yield per acre of lint cotton for any farm is revised after the notice on Form 409 was mailed to the operator of the farm, a new notice on Form 409, showing the revised cotton acreage allotment, or normal yield, or both, as the case may, and the changed amount of the farm marketing quota as expressed in terms of the normal production of the farm acreage allotment, shall be prepared as outlined in paragraph (a) and distributed as outlined in paragraph (b), with the exception that the word "Revised" shall be typed in the heading of Form 409 and the notice shall be accompanied by a brief letter stating that this notice supersedes the former notice and giving the reasons therefor, and the copy of the revised notice and the letter of explanation shall be securely attached to the copy of the previous notice which is filed in the county office.

(d) **New farms for which quotas are not established.**—In case a farm acreage allotment and marketing quota are not established for any new farm on which cotton is planted in 1940 because application therefor was not made within the prescribed time limit, the farm operator shall be given a notice on Form 409 as otherwise provided in this section with the exception that the word "None" shall be entered in the spaces thereon for showing the farm acreage allotment, normal yield, and normal production of the farm acreage allotment.

### C. MEASUREMENT OF FARMS

#### Sec. 206. Procedure for Measurement of farms<sup>6</sup>

For the purpose of the cotton marketing quota provisions, each farm for which a cotton acreage allotment was established, or on which cotton was planted in 1940, or both, shall be measured in accordance with the established procedure of the Agricultural Adjustment Administration and a record of such measurements shall be kept among the records of the county office in accordance with the established procedure.

#### Sec. 207. Report of Measurements for Overplanted Farms

(a) **Preparation of Form 418.**<sup>7</sup>—The county committee shall execute in duplicate and file with the State committee for all overplanted farms in the county a written report on Form 418 prepared as follows:

1. In the spaces indicated enter the State and county code number, the sheet number, the total number of sheets in the report, the marketing year, which shall be designated by the symbol "1940-1941", the name of the county, and the name of the State.

<sup>6</sup> Sec. 401 of the regulations.

<sup>7</sup> Sec. 402 of the regulations.

2. Enter the information and data for each farm on a separate line or lines.
3. In column A enter the farm serial number.
4. In column B enter the name of the operator of the farm.
5. In column C enter **the names of all other cotton producers on the farm.**—The name of each such producer shall be entered on a separate line, and the names of all cotton producers on the farm shall be entered on consecutive lines.
6. In column D enter the number of acres in cultivation on the farm. In the Southern, Western, and East Central Regions, enter the acreage from column 4 of Form ACP-108 and in the North Central Region, from column 15 of Form NCR-409c.
7. In column E enter the cotton acreage allotment established for the farm.
8. In column F enter the acreage planted to cotton in 1940 on the farm.
9. The totals of columns D, E, and F, respectively, shall be entered on the last sheet of the report.

10. The report shall be examined by the county committee and, if found to be correct, the original and copy shall be dated and signed by a member of the committee on its behalf.

(b) **Distribution of Form 418.**—The distribution of Form 418 shall be as follows:

1. The original shall be mailed to the State committee.
2. The copy shall be placed in a binder and kept as a permanent record in the county office.

#### **Sec. 208. Revision in Amount of Cotton Acreage Allotment or Report of Measurement**

If any revision is made in the amount of the cotton acreage allotment for any farm or the report of the acreage planted to cotton is changed for any farm and the change or revision alters any figure previously reported on Form 418 or would result in classifying a farm previously reported as an underplanted farm as an overplanted farm, the change or revision shall be set forth in a letter to the State committee signed by a member of the county committee and a copy of the letter attached to Form 418 and the change or revision entered on the county office copy of Form 418. If there are numerous changes of the latter type, a revised Form 418 shall be prepared and distributed as indicated in section 207 of these instructions.

#### **D. HANDLING REPORTS FROM GINNERS<sup>8</sup>**

##### **Sec. 209. Establishing Records for Each Gin in the County**

The county committee shall ascertain the name and address of each gin situated within the county and the name and address of the owner and manager of the gin and determine whether such owner is an individual, partnership, corporation, etc., whether the gin is owned

<sup>8</sup> Secs. 801 and 802 (m) of the regulations. A ginner may also be a buyer and a producer. This subpart deals only with the records and reports required of a person in his capacity as a ginner as distinguished from his activities as a buyer or a producer, or both. For the definition of a ginner, see Sec. 101 (b) (21) and 101 (b) (34) of the regulations.

or leased, and whether the gin has equipment or machinery designed solely for the ginning of long staple cotton. Consecutive serial numbers, beginning with number 1, for the gins shall be assigned for the purpose of identifying and filing the gin reports. A supply of Forms 416 and 426 and, if the making of the report by submitting copies of the gin bale receipt or ticket is approved for the gin, Forms 416-A, together with a copy of the regulations and Part V of these instructions shall be furnished to each ginner and the use and execution of the forms shall be **explained to him in detail**. The use which producers will make of Forms 417 and 422 in reporting cotton produced and ginned or sold in the seed should likewise be explained to the ginner so that he will be in a position to assist the producers whenever necessary.<sup>9</sup> Copies of the regulations and instructions should be mailed to the ginner and a copy of the letter addressed to the ginner showing the date should be retained in the files of the county office. The supply of forms should be delivered personally to the ginner. After the serial numbers have been assigned to all gins, a listing shall be prepared in quadruplicate to show in columnar form for all gins the following information: (1) The gin serial number; (2) the name of the gin; (3) the full mail address of the gin; (4) the name of the owner and manager; (5) the full mail address of the owner and manager; (6) whether the gin is operated by one or more individuals, a partnership, corporation, etc.; (7) whether the gin is owned or leased; and (8) whether the gin is equipped with machinery designed solely for the ginning of long staple cotton (roller gin stands). The gin should be listed in the numerical order of the gin serial numbers. The original and two carbon copies of the listing shall be forwarded to the State office and the original forwarded by it to the Regional Director, and one copy forwarded by it to the State Agricultural Statistician of the Division of Agricultural Statistics, Agricultural Marketing Service. The first carbon copy shall be retained in the files of the county office.

### Sec. 210. The Ginner's Report

The ginner's report is required to be submitted to the treasurer of the county committee semi-monthly for the periods from the first to the fifteenth and the sixteenth to the last day of each month, inclusive, and not later than 5 days after the last day of the period. The ginner's report must be made in accordance with one of the following two methods: (a) Report on Forms 416 all cotton ginned and submit reports on Forms 426 for all cotton marketed in the seed by the producers thereof which is received by the gin; or (b) Submit copies of the gin bale receipts or tickets together with Forms 416-A for all cotton ginned by or for the producers thereof, submit reports on Forms 426 for all cotton marketed in the seed by the producers thereof which is received by the gin, and report on Forms 416 in lieu of gin bale receipts or tickets all cotton covered by Forms 426 which is ginned by the gin. The latter method may be used only when the gin bale receipt or ticket printed by the ginner for use in his business contains all of the information required to be shown on Forms 416

<sup>9</sup> Paragraphs (b) and (d) of Sec. 805 of the regulations and Secs. 223 and 234 of these instructions.

and the method is authorized by the Agricultural Adjustment Administration after sample copies of the gin bale receipt or ticket proposed for use in this connection have been submitted to the State office and approved by the Agricultural Adjustment Administration. The ginner's report, in accordance with either method, will consist of the following divisions which, when taken together constitute one report, are referred to herein as separate reports or report divisions for convenience.

**1. Regular report.**—This division of the report covers cotton from the 1940 crop ginned by or for the producers thereof and must be made on Forms 416, or on copies of the gin bale receipts or tickets, together with Form 416-A, when the latter method is approved for the gin. This division of the report must not include any other cotton ginned by the ginner and must be submitted not later than five days after the last day of the period in which the cotton was ginned.

**2. Report of seed cotton marketed.**—This division of the report covers the amount of seed cotton sold, bartered, or exchanged by the producer thereof and must be made on Forms 426 executed by the buyer or transferee of the seed cotton (including the ginner if he acquires seed cotton from its producer). The division of the report on Forms 426 is in addition to and separate from any other buyer's or ginner's report covering the seed cotton and must be submitted by the ginner who acquired the seed cotton from the producer or another, or who gins the cotton for the buyer or transferee. The Forms 426 must accompany the Regular Report for the period during which the ginner received the seed cotton, whether or not the cotton was ginned during that period.

**3. Seed cotton supplemental report.**—This division of the report covers cotton from the 1940 crop which is ginned by or for the buyer or transferee of seed cotton (including the ginner who is a buyer or transferee of such cotton) and must be made on separate Forms 416. This division of the report cannot be made in any case on copies of the gin bale receipt or ticket. This division of the report must be submitted with the Regular Report for the period during which such seed cotton was ginned. The designation "Seed Cotton Supplemental Report" must appear in the space provided on each sheet of Form 416 in this division of the report.

**4. Long staple report.**—This division of the report covers long staple cotton from the 1940 crop which is ginned by machinery designed solely for the purpose of ginning long staple cotton (roller gin) and must be made on separate Forms 416, or on copies of the gin bale receipt or ticket, together with Form 416-A, when the latter method is approved for the gin. This division of the report must be submitted with the Regular Report for the period during which the long staple cotton was so ginned. The designation "Long Staple Report" must appear in the space provided on each sheet on Form 416 or on each copy of the gin bale receipt or ticket for the long staple cotton. If the gin is engaged only in ginning long staple cotton with machinery for this purpose and the gin bale receipt or ticket method is used, the designation "Long Staple Report" may be made on Form 416-A instead of on each copy of the gin bale receipt or ticket.

**5. Report of cotton produced in a prior year.**—This division of the report covers cotton produced in 1939 or any prior year which is

ginned during the 1940-1941 ginning season and must be made on separate Forms 416 or copies of the gin bale receipt or ticket, together with Form 416-A, when the latter method is approved for the gin. This division of the report, whether made on Forms 416 or on copies of the gin bale receipt or ticket, must be designated by the calendar year in which the cotton was produced preceded by the words "Produced in." The report must be submitted with the Regular Report for the period during which such cotton was ginned.

### Sec. 211. Audit of Reports of Cotton Ginned<sup>10</sup>

(a) **Audit of Forms 416 for cotton ginned by or for the producers.**—Immediately after the receipt of Forms 416 covering cotton ginned by or for the producers, the county office shall examine the report as follows to determine whether it has been correctly prepared:

1. The title of each division of the reports on Forms 416 referred to in section 210 of these instructions, that is, Regular Report, Long Staple Report, or the designation of the report for cotton produced in prior years, must appear above the words "Report Designation" and include only the cotton required to be covered thereby. If the title of the report division does not appear, the title should be entered by the county office unless there is some question in regard to the classification of the cotton included therein.

2. The period covered by the report must be properly shown in the spaces provided on each sheet thereof.

3. The total number of sheets in the report and the sheet numbers shall be verified. Any discrepancy shall be verified with the ginner. The total number of sheets shall include all of the sheets of Forms 416 in the several divisions of the report referred to in section 210 of these instructions but shall not include the number of sheets of Form 426 in the report.

4. Part II must be properly executed by the ginner and must show therein the name of the gin, the location of the gin, and the number of sheets of Form 426 in the report. Any discrepancy between the number of sheets of Forms 426 reported and received shall be verified with the ginner.

5. The county office shall enter on line 7 of Part III of each sheet the serial number of the gin and the gin report number. The gin report number shall begin with No. 1 for the first report from the ginner and continue thereafter in numerical sequence for each consecutive report. If a corrected report or a supplement to a previous report is received, the report shall be marked "Supplemental" and identified by the report number of the report which is being corrected or supplemented.

6. The county office shall enter on line 8 of Part III of each sheet the balance period in which the gin report is to be included. The balance period shall be designated by the date of the period and the number assigned to the period, as, for example, "September 1 through 15-No. 2"; or "October 1 through 15-No. 4-B".<sup>11</sup>

7. The farm serial number or numbers for each bale, or lot of cotton if less than a bale, must appear in column A of each report division.

<sup>10</sup> In addition to these instructions, see the instructions printed on the reverse side of Form 416 and contained in Part V of these instructions.

<sup>11</sup> Sec. 212 of these instructions.

8. The date of ginning should appear in column B for each bale, or lot of cotton if less than a bale.

9. The name of the farm operator must appear in column C of each report division. The name of the farm operator in column C must be in agreement with the farm serial number in column A. If they do not agree, the producer and the ginner must be so advised and the ginner requested to submit a supplemental report showing the correct information for the cotton.

10. The name of the producer, if other than the operator, must appear in column D of each report division. In cases where there are tenants or sharecroppers on the farm, and no entry is made in column D or the entries in column D indicate that all of the cotton is ginned for a few of the tenants or sharecroppers to the exclusion of others, the operator of the farm should be notified and asked to verify the correctness of the ginner's report and the ginner should be advised of the circumstances in order that future reports may be correctly prepared. **This column of the report is of particular importance in the case of an overplanted farm, an underplanted farm in connection with which there is carry-over penalty cotton, and a farm for which red marketing cards are issued, or multiple farms.**

11. The name of the county and State in which the farm is located must appear in column E of each report division.

12. The gin bale number or mark must appear in column F of each report division. In cases where the bale of cotton was produced on two or more farms by a single producer, or by several producers, a separate line on Form 416 will be required for the entries for each farm and for each producer thereon and the county office should encircle the bale number or mark appearing in column F and include within brackets ([ ]) the entries in column H for the bale to indicate clearly that the several entries relate to a single bale of cotton.

13. The serial number of the gin ticket or receipt issued to the producer from the ginner or prepared by the ginner with respect to the transaction must appear in column G. If the serial number of the gin ticket or receipt and the bale number are the same, the word "Same" may be entered in column G.

14. The gross weight of the bale (including bagging and ties) must appear in column H. Where a bale of cotton was produced on two or more farms by a single producer or by several producers, the amount of cotton in each bale attributable to each farm and to each producer must appear on separate lines in column H and the entries included within brackets as provided in item 12 above.

15. In column I the ginner is required to enter "14" for a square bale if the bagging is made of cotton; "19" for a square bale if sugar bagging is used; and "3" for a round bale. The ginner is required to make no entry in column I for a square bale on which jute bagging was used. The county office must have knowledge of the types of bales ginned and the kinds of bagging and ties used by the ginner in order to determine whether the correct entries were made in column I by the ginner. Where a bale of cotton was produced on two or more farms, the weight of the bagging and ties shall be distributed proportionately among the several entries in column H and the amount of the bagging and ties attributed to each farm for the bale shall be entered on the line for the farm in column I by

either the ginner or the county office and the several entries included in brackets ([ ]) to indicate clearly that the several entries relate to a single bale.

16. On line 1, column L, of Part III on the **last page** of each report division enter the sum of the amounts in column H.

17. On line 4 of columns O, P, Q, R, and S of Part III on the **last page** of each report division enter respectively, as indicated by the entries in column I, the total number of bales in the particular division of the report, the number of square bales on which jute bagging was used, the number of square bales on which cotton bagging was used, the number of round bales, and the number of square bales on which sugar bagging was used. The sum of the amounts on line 4 of columns P, Q, R, and S of Part III must equal the total number of bales covered by the report as shown on line 4 of column O thereof.

18. On line 1, column M, of Part III on the **last page** of each report division enter the weight of the bagging and ties for the report division which shall be the sum of the results obtained as follows:

- a. The entry on line 4, column P, multiplied by 22 pounds.
- b. The entry on line 4, column Q, multiplied by 14 pounds.
- c. The entry on line 4, column R, multiplied by 3 pounds.
- d. The entry on line 4, column S, multiplied by 19 pounds.

19. In counties where several different kinds of bagging and ties are used, there shall be entered in column J for each bale, or part thereof, the result obtained by subtracting the entry in column I from the entry in column H, or, if there is no entry in column I because jute bagging was used on a square bale, the result obtained by subtracting 22 pounds from the entry in column H. The sum of the entries in column J must equal the amount on line 1, column M, of Part III. If only one kind of bagging and ties is used in the county, or if there are relatively few instances where different kinds of bagging and ties are used, it is not necessary for the county office to execute column J.

20. On line 1, column N, of Part III on the **last page** of each report division enter the result obtained as follows:

a. If column J was executed, enter the sum of the entries in column J, which must agree with the result obtained by subtracting the entry on line 1, column M, of Part III from the entry on line 1, column L, thereof, or

b. If column J was not executed, enter the amount by which the entry on line 1, column L, of Part III exceeds the entry on line 1, column M, thereof.

(b) **Audit of Form 426.**<sup>12</sup>—Immediately after the receipt of Form 426 from the ginner, the county office shall examine the report as follows to determine whether it has been correctly prepared:

1. The county office shall enter in the space provided in the heading of each Form 426 the gin serial number, the gin report number, and the number assigned to the balance period in which the report is to be included. The gin report number and the balance period number shall be the same as that shown on the Regular Report on Forms 416 which the Form 426 accompanies.

2. The name of the buyer and his full mail address must appear in the spaces provided and the certificate of the buyer must be executed.

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<sup>12</sup> In addition to these instructions, see the instructions printed on the reverse side of Form 426 and contained in Part V of these instructions.

3. The sheet number and total number of sheets of Form 426 must appear in the space provided in the heading of each Form 426 and the total number of sheets must agree with the number of sheets of Form 426 referred to in Part II of the Regular Report on Forms 416.
4. The farm serial number must appear in column A.
5. The marketing card serial number must appear in column B.
6. The date on which the cotton was purchased or transferred must appear in column C.
7. The name of the operator of the farm on which the cotton was produced must appear in column D.
8. The name of each producer, including the operator, who has an interest in the seed cotton purchased must appear in column E. In the case of the operator, the word "Same" may appear in column E.
9. The name of the county and State in which the cotton was produced must appear in column F.
10. The share of each producer, expressed in pounds of **seed cotton**, must appear in column G.
11. The share of each producer, expressed in the estimated number of pounds of **lint** in the seed cotton must appear in column H.
12. If the seed cotton listed on Form 426 can be identified with a bale or bales of cotton shown on the Seed Cotton Supplemental Report on Forms 416, the county office may enter in column I the share of each producer in the lint cotton determined as follows:
  - a. Enter the net weight of the bale or bales in the total line of column I.
  - b. Divide the amount so entered on the total line of column I by the total of column H and enter the resulting percentage figure, carried to the fourth decimal place, beneath the total line of column I.
  - c. Multiply each figure in column H by the percentage figure beneath the total line of column I and extend the result in column I.
13. On line 1, column K, of Part III on the **last page** of the Regular Report on Forms 416, enter the sum of the totals of column H or column I, as the case may be, of all Forms 426 which are a part of the ginner's report for the period.

(c) **Audit of copies of gin bale receipts or tickets covering cotton ginned by or for the producers.**—In cases where the ginner was authorized to make the reports by submitting copies of the gin bale receipts or tickets instead of executing Forms 416, the receipts or tickets and the Form 416-A accompanying them shall be audited as follows:

1. The total number of gin bale receipts or tickets in the report shall be ascertained by counting them and the total number thereof shall be entered in the heading of Form 416-A preceded by the words "No. of tickets," as for example, "No. of tickets: 397."
2. The serial numbers of the gin bale receipts or tickets shall be examined to determine that they are in consecutive order and that the first and last serial numbers thereof correctly appear in item 4 of Form 416-A. If any serial numbers in the consecutive series are missing, the missing serial numbers shall be listed in the heading of Form 416-A under the heading "Omitted Numbers". The ginner shall be requested to account for the gin bale receipts or tickets represented by the missing serial numbers. The last serial number, plus one, minus the first serial number of the gin bale receipts or tickets in the reports should equal the number of receipts

or tickets determined under 1 above plus the number of receipts or tickets represented by the missing serial numbers.

3. The gin bale receipts or tickets should then be divided into three groups according to the report divisions referred to in section 210 of these instructions for cotton ginned by or for the producers; namely, the Regular Report, Long Staple Report, and the Report of cotton produced in a prior year. Cotton marketed in the seed by the producer must be reported on Forms 426 instead of the gin bale receipts or tickets. The cotton covered by Forms 426 must be reported when ginned on Forms 416 designated as the Seed Cotton Supplemental Report instead of gin bale receipts or tickets. The gin bale receipts or tickets to be included in the Long Staple Report will be designated by the ginner by entering thereon the words "Long Staple Report" unless only long staple cotton is ginned by the ginner, that is, he does not use machinery other than that designed specifically for ginning long staple cotton. In the latter event, the words "Long Staple Report" may appear in the heading of Form 416-A instead of on each gin bale receipt or ticket. The gin bale receipts or tickets covering cotton produced in 1939 or a prior year will be designated by the words "Produced in" followed by the year in which the cotton was produced.

4. The gin bale receipts or tickets in each report group shall then be arranged in numerical order according to the farm serial numbers and the counties in which the farms are located.

5. Each gin bale receipt or ticket shall be audited in accordance with items 7 through 15 of paragraph (a) of this section to determine that the information required to be shown on Forms 416 correctly appears on the gin bale receipt or ticket.

6. Form 416-A shall be audited and executed as follows:

- a. The period covered by the report must appear correctly in item 3.
- b. The number of sheets of Form 426 for the period must appear in item 5.<sup>13</sup>
- c. The form must be properly executed by the ginner and the name of the gin and its location respectively must appear in items 1 and 2.

d. The county office shall enter on line 4 of Part III the following:

- (i) The serial number assigned to the gin.
- (ii) The gin report number which shall begin with No. 1 for the first report from the ginner and continue thereafter in numerical sequence for each consecutive report.

(iii) The balance period in which the report is to be included which shall be designated by the date of the period and the number assigned to the period.<sup>14</sup>

e. On line 1 of columns B, E, and H, respectively of Part III enter the gross weight of the cotton covered by the gin bale tickets or receipts included in the Regular Report, Long Staple Report, and Report of cotton produced in a prior year.

f. On line 1 of columns K, L, M, and N of Part III enter respectively for the Regular Report the total number of bales, the number of square bales on which jute bagging was used, the number of square bales on which cotton bagging was used, and the number of round bales. If sugar bagging was used on any bales, the number of such bales shall be recorded in either column M or N after the title thereof is altered accordingly, or, if the four types of bales are reported by the ginner, divide either column M or N into two parts and enter the correct title of each such part. Line 1 of columns O through R and S through V respectively shall be executed in the same manner for the Long Staple Report and the Report of cotton produced in a prior year.

<sup>13</sup> See paragraph (b) of this section.

<sup>14</sup> Sec. 212 of these instructions.

*g.* On line 1 of columns C, F, and I, respectively, of Part III enter the weight of the bagging and ties for each report division which shall be the sum of the results obtained as follows.

- (i) The number of square bales with jute bagging in each report division multiplied by 22 pounds.
- (ii) The number of square bales with cotton bagging in each report division multiplied by 14 pounds.
- (iii) The number of round bales in each report division multiplied by 3 pounds.
- (iv) The number of square bales with sugar bagging in each report division multiplied by 19 pounds.

*h.* On line 1 of columns D, G, and J, respectively, of Part III enter the net weight of the cotton included in each report division which shall be determined by subtracting the weight of the bagging and ties for the report division from the gross weight of the report division as follows:

- (i) Column D equals column B minus column C.
- (ii) Column G equals column E minus column F.
- (iii) Column J equals column H minus column I.

**(d) Audit of seed cotton supplemental reports.**—The Seed Cotton Supplemental Report on Forms 416 shall be audited in every respect in the manner outlined in paragraph (a) of this section with the following exceptions:

1. The farm serial number will not appear in column A.
2. The name of the person who acquired the cotton from the producer will appear in column C instead of the name of the farm operator.
3. No entry will appear in columns D and E.

### Sec. 212. Balance Periods

**(a) Designation of balance periods.**—A balance period is the time from the first through the fifteenth and the sixteenth through the last day of each month during which any gin reports are received. Each balance period shall be designated by the date thereof and a serial number beginning with No. 1 for the first balance period and continuing thereafter in numerical sequence for each subsequent balance period.<sup>15</sup> Each gin report shall be included within the balance period in which it is actually received,<sup>16</sup> provided that the gin report is received by the county office within sufficient time before the expiration of the balance period to allow all extracts to be prepared therefrom and sent to and received by each county prior to the last day of the balance period. If it would not be possible to prepare and transmit the extracts to the other county offices in time to be received by them prior to the last day of the balance period, the gin report shall be included in the balance period next succeeding the balance period in which it was actually received. As a general rule, it should be possible in all counties to prepare and transmit the extracts to the other counties for all gin reports received on or before the expira-

<sup>15</sup> If the first cotton is ginned in the county on August 5, 1940, the first gin report will cover the ginning period from August 1, 1940 through August 15, 1940 and is required to be submitted to the treasurer of the county committee not later than August 20, 1940. If the report is submitted within the prescribed time, the first balance period in the county will be designated "August 16 through 31-No. 1". The second balance period will be designated "September 1 through 15-No. 2", etc.

<sup>16</sup> If, for example, a report covering the ginning period from September 15 through September 30 is delayed and is not received until October 18, the report shall be included in the balance period from October 15 through October 31, notwithstanding the fact that other gin reports for the ginning period were included in the preceding balance period.

tion of the first 10 days of the balance period, that is, the tenth and twenty-fifth of each month. In other cases, a shorter time for preparing, transmitting, and receiving the extracts could be allowed. The designation of the balance period in which a gin report is included shall be entered on each Form 416, 416-A, or 426 in the space provided therefor.

(b) **Use of balance periods.**—The amount of cotton on the gin reports included in a particular balance period shall be balanced with the amount of cotton posted to the farm accounts and county office records of production for the period to determine that the information on the gin reports was correctly transcribed.<sup>17</sup> The balance period cannot be extended over a period of time which is longer than that prescribed in paragraph (a). It may be advisable, however, during the periods of the greatest ginning activity, to divide the reports included in a balance period into groups and balance them separately insofar as the farm accounts on Forms 451 are concerned. In many cases it will be an advantage to balance each gin report separately. The balance period may be subdivided for this purpose in any manner which will facilitate the work in the county office and reduce to a minimum the number of items which must be balanced at one time. The gin reports included within a subdivision of a balance period shall show the date of the balance period and the number thereof together with a letter designating the subdivision, as, for example, "October 1 through 15-No. 4—A" or "October 1 through 15-No. 4—B" or "October 1 through 15-No. 4-AA", etc.

### Sec. 213. Extracts of Gin Reports for Cotton Ginned in a County Other Than the County in Which Produced

(a) **Extracts prepared for other counties.**—The county office in which a gin is located shall prepare in duplicate extracts of the information contained in the gin report for cotton produced in other counties. A separate extract for each period for each of the other counties shown in column E of Forms 416, or on the gin bale receipt or ticket, and column F of Forms 426 shall be prepared for each gin report. The extract prepared for each of the other counties shall be prepared so that each report division, with the exception of the Seed Cotton Supplemental Report,<sup>18</sup> will be on a separate Form 416 or 426 and so designated. The extracts must be forwarded as provided in paragraph (c) to the other counties **within 5 days after the ginner's report is received**. In case the gin report is made by submitting copies of the gin bale receipts or tickets, the extracts shall be prepared by listing on Forms 416 the information contained in the gin bale receipts or tickets covering cotton produced on farms located in other counties. The following information shall be entered on each extract on Form 416 and 426:

1. Above the title of the form enter the words "Extract From" followed by **the name of the county and State** in which the gin is located and the State and county code number therefor.

<sup>17</sup> Sec. 213 (b), paragraphs (b), (c), (d), and (e) of Sec. 215, and Sec. 218 (d) of these instructions.

<sup>18</sup> No extracts will be prepared for the Seed Cotton Supplemental Report since it would not be possible to determine from this division of the report the county in which the cotton was produced. The extracts covering cotton ginned by gins located in the county and marketed in the seed from farms located in other counties will be prepared solely on the basis of Forms 426.

2. In the spaces provided on Form 416 enter the sheet number and total number of sheets of Form 416 which will be required to list the farms located in the county for which the extract is prepared. In the spaces provided on Form 426 for use by the ginner enter the sheet number and total number of sheets of Form 426 which will be required to list information for the farms located in the county for which the extract is prepared. In preparing extracts on Forms 426, the Forms 426 executed by different buyers or transferees, or by the same buyer or transferee at different times, must not be combined.

3. In the spaces provided on each Form 416, and beneath the title of each Form 426, enter the ginning period covered by the gin report from which the extract is prepared.

4. The information appearing in columns A through J of Form 416, or in the gin bale receipts or tickets, and in columns A through H of Form 426, for the farms located in the county for which the extract is prepared shall be transcribed exactly as it appears on the original (or supplemental) Form 416 or 426 or gin bale receipt or ticket received from the ginner. **Columns I and J** of each extract on Form 416 **must be executed** to show respectively the weight of the bagging and ties and the net weight of the cotton.

5. The information appearing in the ginner's certificate in Part II of Form 416, and in the certificate of the buyer or transferee on Form 426, shall be transcribed in the spaces provided on the extract.

6. On lines 7 and 8 of Part III of each Form 416, and in the heading of each Form 426, enter the gin serial number, the gin report number, and the date of the balance period in which the gin report is included.<sup>19</sup> If the balance period is subdivided,<sup>20</sup> the designation of the subdivision should not be shown since it will not be used by the county receiving the extract.

7. The sheets of each report division of the extract shall be assembled and securely fastened together. The title of the division of the report shall be entered above the words "Report Designation" in the heading of each sheet of Form 416. On lines 1 and 4, respectively, in Part III of Form 416 of the last sheet of each report division of the extract enter the following:

a. On line 1, column K, of the Regular Report **only**, enter the sum of the totals of column H or column I, as the case may be, of all extracts on Forms 426.

b. On line 1, column L, enter the total of column H.

c. On line 1, column M, enter the total of column I.

d. On line 1, column N, enter the total of column J.

e. On line 4, column O, enter the total number of bales included in the division of the extract. Do not count any bales for the amount of cotton reported on Forms 426 or for any loose lint cotton reported on Forms 416. The whole bales shown on Forms 416, whether produced on one farm or on several farms by one or more producers, shall be counted as such. The amounts of cotton which are only a portion of a bale because the cotton was produced in **more than one** county shall be counted as that fraction of a bale that the weight of the bagging and ties attributed to the portion of the bale (as shown in column I or J of Form 416) is to the total weight of the bagging and ties for the bale. For example, if the total bagging and ties weigh 22 pounds and 16 pounds of the total weight were attributed to the portion of the bale on the extract in executing columns I and J of Form 416, the portion of the bale should be counted as  $\frac{16}{22}$  of a bale in determining the total number of bales covered by the extract. This rule for counting bales is also applicable to columns P, Q, R, and S.

<sup>19</sup> Sec. 212 (a) of these instructions.

<sup>20</sup> Sec. 212 (b) of these instructions.

- f. On line 4, column P, enter the number of square bales on which jute bagging was used.
- g. On line 4, column Q, enter the number of square bales on which cotton bagging was used.
- h. On line 4, column R, enter the number of round bales.
- i. On line 4, column S, enter the number of square bales on which sugar bagging was used.
- j. The sum of the entries in columns P, Q, R, and S must equal the entry in column O.
- k. The entry in column M must equal the sum of the results obtained by multiplying the entries in columns P, Q, R, and S, respectively, by "22", "14", "3", and "19".

(b) **Preparation of letter of transmittal for extracts.**—After the extract from the report of a single gin for a ginning period is prepared for a particular county, the extract shall be listed on a letter of transmittal on Form 457. Not more than one extract shall be listed on a single letter of transmittal but all report divisions of the gin report included in the extract shall be included in the same letter of transmittal. Form 457 shall be prepared in triplicate as follows:

1. In the space provided enter the transmittal number, which shall begin with No. 1 for each county to which extracts are sent and continue thereafter in numerical sequence for each subsequent transmittal to the same county.
2. After the words "Sent to County of" enter the name of the county and State for which the extracts were prepared.
3. After the words "Prepared by County of" enter the name of the county and State in which the extract and Form 457 are prepared.
4. In the spaces provided enter the marketing year, that is, 1940-1941, the date on which Form 457 is prepared, and the mail address of the county office in which it is prepared.
5. After the word "To:" enter the name and address of the treasurer or secretary of the county committee to whom the extract is to be sent.
6. In the spaces provided enter the gin serial number, the gin report number, and the date and number of the balance period in which the gin report is included.<sup>21</sup>
7. Part I shall be executed by entering opposite the title of each report division <sup>22</sup> the following information:

- a. In column 2 enter the number of sheets of Forms 416, or Forms 426, in each report division of the extract.
- b. In column 3, for each report division of the extract on Forms 416, enter the amount on line 1, column L, of Part III of the Forms 416, and, for the division of the extract on Forms 426, enter the amount on line 1, column K, of Part III of the Regular Report.
- c. In column 4 through 7, for each report division of the extract on Forms 416, enter respectively the number of bales of each kind as shown on line 4, columns P through S, of Part III of the Forms 416. No entry will be made in columns 4 through 7 for the extracts on Forms 426.
- d. In column 8, for each report division of the extract on Forms 416, enter the amount on line 1, column M, of Part III of the Forms 416. No entry will be made in column 8 for the extracts on Forms 426.
- e. In column 9, for each report division of the extract on Forms 416, enter the amount on line 1, column N, of Part III of the Forms 416. No entry will be made in column 9 for the extracts on Forms 426.
- f. In column 10 make no entry.

<sup>21</sup> Sec. 212 of these instructions.

<sup>22</sup> The report designation "Seed Cotton" in column 1 of Form 457 refers to the extracts on Forms 426.

**8. Part II shall be executed as follows:**

- a. Do not execute Part II for the first Form 457 prepared for a county.
- b. For the second Form 457 prepared for a particular county, enter the information appearing in Part I of the first Form 457 for that county.
- c. For the third and subsequent Forms 457 prepared for a particular county, enter the information appearing in Part III of the immediately preceding Form 457 for that county, as, for example, for the third letter of transmittal, enter the information in Part III of the second letter of transmittal, and, for the fourth letter of transmittal enter the information in Part III of the third letter of transmittal. If an extract, or part thereof, was canceled so that Parts IV and V of the immediately preceding Form 457 for the county were executed,<sup>23</sup> enter in Part II the information in Part V of the immediately preceding Form 457 instead of the information in Part III thereof.
- d. If a Form 457 was executed erroneously, enter in Part II the information from Part I, Part III, or Part V, as the case may be, of the immediately preceding Form 457 as corrected.<sup>24</sup>

**9. Part III shall be executed by entering in each column thereof opposite the title of each report division the sum of the entries in the same column in Parts I and II for the report division. For example, in Part III for the Regular Report, column 3 must equal the amount for the Regular Report in column 3, Part I, plus the amount for the Regular Report in column 3, Part II. Part III shall be executed only for the second and subsequent Forms 457 prepared for extracts sent to a county.**

**10. Part IV shall be executed only when, during the interval between the time the current letter of transmittal is being prepared and the time the immediately preceding letter of transmittal was prepared, an amount of cotton included in a previous extract sent to the county was returned because the farm in that county on which the cotton was produced could not be located.<sup>25</sup> Part IV shall be prepared by entering the following information opposite the title of the report division of the extract on which such cotton was reported:**

- a. In column 2 make no entry.
- b. In column 3 enter the total gross weight of the bales of cotton on Forms 416, or the lint cotton on Forms 426 shown on the returned extract.<sup>26</sup>
- c. In columns 4 through 7 enter respectively the number of square bales with jute bagging, the number of square bales with cotton bagging, the number of square bales with sugar bagging, and the number of round bales shown on the returned extract. Make no entry in columns 4 through 7 for the amount of cotton included on Forms 426 of the returned extract.
- d. In column 8 enter the weight of the bagging and ties represented by the bales recorded in columns 4 through 7. The weight of the bagging and ties for each report division shall be the sum of the results obtained as follows:
  - (i) The amount in column 4 multiplied by 22 pounds.
  - (ii) The amount in column 5 multiplied by 14 pounds.
  - (iii) The amount in column 6 multiplied by 19 pounds.
  - (iv) The amount in column 7 multiplied by 3 pounds.
- e. In column 9, for each report division, except for seed cotton reported on Forms 426, enter the net weight of the cotton shown on the extract returned. The net weight must be equal to the result obtained by subtracting the amount in column 8 from the amount in column 3.
- f. In column 10 make no entry.

<sup>23</sup> See items 10 and 11 of this paragraph.

<sup>24</sup> In this connection, see paragraph (g) of this section.

<sup>25</sup> Sec. 214 of these instructions.

<sup>26</sup> Include in Part IV only the cotton returned in the interval between the time the current Form 457 is being prepared and the time the immediately preceding Form 457 was prepared for the county.

11. Part V shall be executed by entering in each column thereof opposite the title of each report division the amount by which the entry in the column in Part III for the report division exceeds the entry in the same column in Part IV for the report division. For example, in Part V for the Regular Report, column 3 must equal the amount for the Regular Report in column 3, Part III, minus the amount for the Regular Report in column 3, Part IV. Part V shall not be executed unless Part IV is executed.

12. The original and copies of the letter of transmittal shall be signed by the secretary or treasurer of the county committee for the county preparing the extracts who shall also enter his title.

(c) **Distribution of extracts prepared for other counties and the letters of transmittal.**—Extracts prepared for other counties and the accompanying letters of transmittal on Forms 457 shall be distributed and filed as follows:

1. The original of the extracts on Forms 416 and 426, together with the original and first copy of the related Forms 457 shall be forwarded to the county for which they were prepared not later than 5 days after the receipt of the gin report from which they were prepared.

2. The copies of the extracts on Forms 416 and 426 shall be filed in the folder for the gin.

3. The copy of Form 457 retained in the county office shall be placed in a separate file and arranged numerically according to transmittal numbers. A separate file for the letters of transmittal shall be established for each county to which extracts are sent and all letters of transmittal to the same county covering gin reports included in a single balance period shall be filed together.

4. The original of the letter of transmittal, signed by the secretary or treasurer of the county committee to whom the extract was sent and which was returned by him, shall be filed in the folder referred to in item 3 above with the copy of the letter of transmittal retained in the county office. Any discrepancies between the extracts and the letter of transmittal, as shown in column 10 thereof, must be reconciled and the report and letter of transmittal corrected immediately thereafter.

(d) **Record on Forms 416 of extracts sent.**<sup>27</sup>—A summary of the information contained in the extracts prepared for all counties in connection with a particular gin report shall be made as follows in Part III of Form 416 on the last sheet of each report division:

1. On line 2, column K, of Part III of the Regular Report only enter the sum of the totals of column H or column I, as the case may be, of all extracts on Forms 426 for all counties. This amount will also be the sum of the amounts on line 1, column K, of Part III of the Regular Report division of all extracts prepared in connection with the gin report.

2. On lines 2 and 5 of columns L through S, respectively, enter the sums of the respective totals on lines 1 and 4 of columns L through S of Part III of the extracts prepared for all counties from the particular division of the ginner's report.

<sup>27</sup> Where the gin report is made by submitting copies of the gin bale receipt or ticket, the summary of the extracts shall be made on Form 416-A in accordance with paragraph (e) of this section.

3. On lines 3 and 6 of columns K through S, respectively, of Part III enter the amount by which the respective totals on lines 1 and 4 thereof exceed the amounts on lines 2 and 5 thereof. For example, the amount on line 3, column K, must equal the amount by which the entry on line 1 thereof exceeds the entry on line 2 thereof, and the amount on line 6, column O, must equal the amount by which the entry on line 4 thereof exceeds the entry on line 5 thereof.

(e) **Record on Forms 416-A of extracts sent.**—When the gin report is made by submitting copies of the gin bale receipts or tickets, a summary of the extracts therefrom prepared on Forms 416 or 426 for all counties in connection with a particular gin report shall be made as follows in Part III of Form 416-A:

1. On line 2 of columns A through D enter respectively the sum of the amounts on line 1 of columns K through N of Part III of Form 416 of the Regular Report division of all extracts prepared in connection with the gin report.

2. On line 2 of columns E through G enter respectively the sum of the amounts on line 1 of columns L through N of Part III of Form 416 of the Long Staple Report division of all extracts prepared in connection with the gin report.

3. On line 2 of columns H through J enter respectively the sum of the amounts on line 1 of columns L through N of Part III of Form 416 of the division of all extracts prepared in connection with the gin report for cotton produced in a prior year.

4. On line 2 of columns K through N for the Regular Report, and columns O through R for the Long Staple Report, and columns S through V for the report of cotton produced in a prior year enter respectively the sum of the amounts on line 1 of columns O through R of Part III of Form 416 for each report division of all extracts prepared in connection with the farm. If square bales with sugar bagging are reported for the gin, the number of such bales shall be recorded in either column M or N, column Q or R, or column U or V after the title of the column is altered accordingly.<sup>28</sup>

5. On line 3 of columns A through V enter the amount by which the entry on line 1 of each column exceeds the entry on line 2 of each column.

(f) **Periods for which no extracts are prepared.**—If an extract is not to be prepared for any balance period for an adjoining county or a county for which an extract was previously furnished, the treasurer or secretary of the county committee shall notify the treasurer or secretary of the county committee for the adjoining or other county that no extract for the period will be prepared. The notice to that effect shall be made by executing and mailing to him the letter of transmittal on Form 457 in the manner outlined in paragraphs (b) and (c) of this section with the exception that the word "None" shall be entered in Part I thereof. Form 457 executed for this purpose shall be assigned a transmittal number in the regular series for the county to which it is sent and shall be filed in the manner provided for other letters of transmittal on Form 457.

(g) **Extracts received from other counties.**—Immediately after an extract on Forms 416 and 426 are received from another county,

<sup>28</sup> Sec. 211 (c) 6f. of these instructions.

the extract shall be examined to determine whether it was prepared correctly and that it agrees in every detail with the comparable information in Part I of Form 457. Part II of Form 457 shall be compared with the immediately preceding Form 457 received from the county to determine that the cumulative total of the previous Forms 457 is correctly shown therein. The amounts, if any, in Parts IV and V shall likewise be verified.<sup>29</sup> If the extracts and Form 457 are in agreement and are correctly prepared, enter the word "None" in column 10 of each Part of Form 457. If the extracts and Form 457 are not in agreement, or if they are not prepared properly, the errors and the correct information shall be stated in detail on the original and copy of Form 457 in column 10 of the Part thereof which is in error. If there is not enough space in column 10 of Form 457 for this purpose, enter therein the words "See attached sheet" and list the errors and correct information in detail on a separate sheet, prepared in duplicate, which shall be attached to the original and copy of Form 457. The treasurer or secretary of the county committee from whom the extracts were received shall be requested to confirm any changes so made in Form 457. The original and copy of Form 457 shall be signed by the treasurer or secretary of the county committee who shall enter his title. The original of Form 457 shall be returned to the treasurer or secretary of the county committee for the county in which the extracts were prepared. The copy of Form 457 shall be placed in a separate file and arranged numerically according to transmittal numbers. A separate file for Forms 457 shall be established for each county from which extracts were received and all Forms 457 from the same county covering gin reports in a single balance period shall be filed together. **The extracts received from another county shall be included in the balance period shown thereon and in Form 457 unless the extracts were not received until after the expiration of the balance period shown on Form 457 and the extracts.** In the latter event, the extracts shall be included in the balance period during which they were actually received. The extracts on Forms 416 and 426 shall be audited as outlined in section 211 of these instructions with the exception that any error shall be referred to the treasurer or secretary of the county committee from which the extract was received, who shall in turn effect a correction of the report by communicating with the ginner or producer, or both, or any other person. If, within 10 days after the last day of the period to be covered by a ginner's report, an extract, or a notice that there will be no extract, is not received from an adjoining county or other county from which an extract was received previously, an inquiry shall be directed to the county office to determine whether an extract is to be received for the period.

#### Sec. 214. Unallocated Cotton

The cotton reported by the ginner which cannot be identified with the farm on which it was produced shall be known as unallocated cotton. Unallocated cotton shall be regarded as produced in the county and State shown on Forms 416 and 426 received from the

<sup>29</sup> See paragraph (b) of this section. All Forms 457 shall be audited by the county office to which they are sent in accordance with the instructions for preparing Forms 457.

ginner even though the cotton cannot be identified with a farm in that county. The amount of unallocated cotton in any county must be reasonable in view of all the circumstances and the records of the county office must show clearly that every reasonable effort to ascertain the identity of the cotton was made. The following procedure shall be observed in connection with unallocated cotton:

1. If the unallocated cotton was reported by the ginner as produced in the county in which the gin is located, or if no county was indicated on the gin report, the unallocated cotton shall, as provided in section 218 (c) of these instructions, be placed in a suspense account on Form 451 for unallocated cotton in that county. The county office shall attempt to establish the identity of the cotton by communicating with the ginner, with adjoining county offices, and with producers who might be in a position to identify the cotton with a farm. If the cotton is identified with a farm located in the county, the amount thereof shall be removed from the suspense account and credited to the proper farm account. If it is determined that the cotton was in fact produced on a farm in another county, the amount thereof shall be removed from the suspense account and an extract on Form 416 or 426, as the case requires, shall be prepared and handled as in other cases. In such cases the summary of the extracts in Part III of Forms 416 or 416-A shall be revised to reflect the additional extract,<sup>30</sup> and beneath the space for recording the balance period, enter a cross reference to the Form 457 on which the new extract is included.

2. If cotton included on an extract received from another county cannot be identified with a farm in the county receiving the extract, after a reasonable effort has been made to ascertain the farm, that portion of the extract covering the unallocated cotton shall be returned to the county office from which the extract was received. In every case the county office receiving the extract shall attempt to locate the farm on which the cotton was produced by examining the names of the operators, tenants, and sharecroppers in the area which ordinarily would be served by the ginner making the report. The unallocated cotton shall be returned to the county from which the extract was received within the first 5 days of any balance period. If the unallocated cotton cannot be returned within the first 5 days of a balance period, it shall be held over and returned within the first 5 days of a succeeding balance period. The return of the unallocated cotton to the county office from which the extract was received shall be accomplished as follows:

a. The unallocated cotton shall be listed on new Forms 416 or 426 exactly as it appeared on the extract on Form 416 or 426.<sup>31</sup> Above the title of the new Form 416 or 426 enter the words "Unallocated Cotton—Extract Returned To" followed by the names of the county and State to which the unallocated cotton is being returned.

b. The original of Form 416 or 426 prepared as outlined in item a. above shall be forwarded to the treasurer or secretary of the county committee for the county from which the extract was received. Form 457 shall not be used for this purpose.

c. The copy of the extracts returned which are prepared as outlined in item a. above shall be attached to the original of the extract to which it relates. The county office should determine whether all of the unallocated

<sup>30</sup> Sec. 213 of these instructions.

<sup>31</sup> Sec. 213 (a) of these instructions.

cotton is taken into consideration in Parts IV and V of subsequent letters of transmittal on Forms 457 from the county to which the extract was returned.

3. The county office to which unallocated cotton included in an extract is returned shall, as provided in section 218 (c) 1 (iii) of these instructions, place the amount of such unallocated cotton in a suspense account on Form 451. The county office shall attempt to establish the identity of the cotton by communicating with the ginner, with adjoining county offices, and with producers who might be in position to identify the cotton with a farm. The gin reports and records of cotton production in connection with the amount of unallocated cotton which is returned shall be adjusted as follows:

a. The original of the returned extract of unallocated cotton referred to in item 2 a. of this section shall be attached to the copy of the extract in which the unallocated cotton was originally included. The totals of the extract in Part III of Form 416 and in Form 426 shall not be reduced by the amount of the unallocated cotton which was returned. A change in Part III of the gin report on Form 416 or 416-A from which the extract was prepared shall not be made.

b. The returned extract of unallocated cotton referred to in item 2 a. of this section shall be used in executing Parts IV and V of the next letter of transmittal on Form 457 prepared for extracts sent to the county,<sup>32</sup> and a cross-reference to such Form 457 shall be entered on the returned extract.

c. If the unallocated cotton is identified with a farm in the county, the amount thereof shall be removed from the suspense account and credited to the proper farm account on Form 451 and a cross-reference thereto entered on the returned extract. A corresponding change in Part III of the gin report on Form 416 or 416-A from which the extract was prepared shall not be made.

d. If it is determined that the cotton was in fact produced on a farm in another county, or in the county reported by the ginner, the amount thereof shall be removed from the suspense account and an extract on Form 416 or 426, as the case requires, shall be prepared and handled as in other cases,<sup>33</sup> and a cross-reference thereto entered on the returned extract. A corresponding change in Part III of the gin report on Form 416 or 416-A from which the extract was prepared and the returned extract shall not be made.

4. After the close of the ginning season in the county and after the farm operator's reports on Forms 417 and 422 are submitted to the county office, but prior to the time the final county summary of cotton production on Forms 453 is prepared for the county,<sup>34</sup> the amount of unallocated cotton on returned extracts which has not been identified with a farm shall be resubmitted on extracts to the county in which it was reported as produced by the ginner. The resubmission of the unallocated cotton and the adjustments in the records of cotton production in connection therewith shall be accomplished as follows:

a. The amount of unallocated cotton being resubmitted to the county in which it was reported by the ginner as produced shall be removed from the suspense account on Form 451 and an extract on Form 416 or 426, or both, shall be prepared and handled as in other cases.<sup>35</sup> The balance period to be shown thereon shall be the balance period during which the extracts are resubmitted.<sup>36</sup>

b. The unallocated cotton which is resubmitted on an extract as outlined in item a. above shall, as provided in section 218 (c) 1 (iv) of these instructions, be placed in a suspense account on Form 451 for unallocated cotton in the county in which it was reported as produced by the ginner. The extracts on

<sup>32</sup> Items 10 and 11 of Sec. 213 (b) of these instructions.

<sup>33</sup> Sec. 213 of these instructions.

<sup>34</sup> Sec. 215 (d) of these instructions.

<sup>35</sup> Sec. 213 of these instructions.

<sup>36</sup> Sec. 212 of these instructions.

which the unallocated cotton is resubmitted, together with the related Forms 457, shall be handled and recorded as in the case of other extracts received.<sup>37</sup>

5. The total amount of the extracts prepared in connection with any gin report shall be the sum of all extracts minus the sum of the returned extracts of unallocated cotton. The total amount of the extracts received from any county in connection with a gin shall be the sum of all extracts received minus the sum of the returned extracts of unallocated cotton.

### Sec. 215. Summary of Gin Reports

(a) **Preparation of Form 453 for individual gins.**—A separate Form 453 shall be prepared for (i) each gin located in the county, and (ii) each gin from which extracts are received from other counties. As soon as Forms 416 and 426 received for a period are audited<sup>38</sup> extracts are prepared,<sup>39</sup> and the information relating to individual farms is posted to farm accounts,<sup>40</sup> a summary of the information shall be posted to Forms 453 for the gin in the following manner, using the first line for the first report and the succeeding lines for each subsequent report:

1. A separate sheet of Form 453 for each gin shall be prepared for each report division,<sup>41</sup> with the exception of the reports on Forms 426. The title of the report division shall be entered above the words "Report Designation" in the heading of Form 453.

2. In the spaces provided enter the names of the county and State, the State and county code number, the gin serial number (if the gin is located in another county, the gin serial number shall be preceded by the State and county code number for that county), and the marketing year which shall be designated by the symbol "1940-1941".

3. In column A of Part I enter the designation of the balance period in which the gin report or extract is included, as, for example, "Sept. 1-15—No. 2".

4. In column B of Part I enter the total gross weight of the cotton covered by the report division which shall be the amount on line 1, column L, of Part III of Form 416. In the case of Forms 416-A, the gross weight of the report division shall be taken from line 1 of column B, column E, or column H, as the case may be.

5. In column C of Part I enter the number of square bales covered by the report division on which jute bagging was used as shown on line 4, column P, of Part III of Form 416. In the case of Forms 416-A, the number of bales for the report division shall be taken from line 1 of column L, column P, or column T, as the case may be.

6. In column D of Part I enter the number of square bales covered by the report division on which cotton bagging was used as shown on line 4, column Q, of Part III of Form 416. In the case of Forms 416-A, the number of bales for the report division shall be taken from line 1 of column M, column Q, or column U, as the case may be.

<sup>37</sup> Paragraph (g) of Sec. 213 of these instructions.

<sup>38</sup> Sec. 211 of these instructions.

<sup>39</sup> Sec. 213 of these instructions.

<sup>40</sup> Sec. 218 of these instructions.

<sup>41</sup> Sec. 210 of these instructions.

7. In column E of Part I enter the total number of round bales covered by the report division as shown on line 4, column R, of Part III of Form 416. In the case of Forms 416-A, the number of bales for the report division shall be taken from line 1 of column N, or column R, or column V, as the case may be.

8. If sugar bagging was reported for any square bales as shown on line 4, column S, of Part III of Form 416 of the report division, or in Part III of Form 416-A, the number of such bales shall be recorded in either column D or E of Part I after the title thereof is altered accordingly, or, if the four types of bales are reported by the ginner, divide either column D or E into two parts and enter the correct title of each such part.

9. In column F of Part I enter the weight of the bagging and ties for the cotton covered by the report division as shown on line 1, column M, of Part III of Form 416. In the case of Forms 416-A, the weight of the bagging and ties for the report division shall be taken from line 1 of column C, or column F, or column I, as the case may be.

10. In column G of Part I of the Form 453 for the Regular Report **only** enter the amount shown on line 1, column K, of Part III of Form 416 for the Regular Report. In the case of Forms 416-A enter the amount shown on line 1 of column A.

11. In column H of Part I enter the sum of the following: (i) the total net weight of the cotton covered by the report division as shown on line 1, column N, of Part III of Form 416, **plus** (ii) the entry in column G of Part I of Form 453. In the case of Forms 416-A the total net weight for the report division shall be the entry on line 1 of column D, or column G, or column J, as the case may be, **plus** the entry in column G of Part I of Form 453. The amount in column H of Part I must equal the result obtained by subtracting the amount in column F of Part I of Form 453 from the amount in column B thereof, plus the amount in column G thereof.

12. In column I of Part I enter the sum of the extracts sent to other counties on Forms 416 as shown on line 2, column N, of Part III of Form 416 for the report division, plus in the case of the Regular Report **only**, the entry on line 2, column K, of Part III of Form 416. In the case of Forms 416-A, enter the sum of the extracts sent to other counties as shown for the report on line 2 of column G of Forms 416-A for the Long Staple Report, or on line 2 of column J of Forms 416-A for the Report of cotton produced in a prior year, or the sum of the entries on line 2 of columns A and D of Forms 416-A for the Regular Report. No entries will appear in column I of Forms 453 prepared on the basis of extracts received from other counties.

13. In column J of Part I enter the total net weight of cotton produced on farms located within the county as shown on line 3, column N, of Part III of Form 416 for the report division, **plus**, in the case of the Regular Report **only**, the entry on line 3, column K, of Part III of Form 416. In the case of Forms 416-A, the total net weight of cotton produced in the county according to the report divisions shall be taken from line 3 of column G of Forms 416-A for the Long Staple Report, or from line 3 of column J of Forms 416-A for the Report of cotton produced in a prior year, or the sum of the entries

on line 3 of columns A and D of Forms 416-A for the Regular Report. The entry in column J of Part I of Form 453 must equal the result obtained by subtracting the amount in column I of Form 453 from the amount in column H thereof.

14. Under the heading "Supplemental Reports" of Part I enter the information indicated above from any supplemental report which **increases** the total amount of the cotton ginned as shown on the report which is corrected or supplemented. If the total amount of cotton on the report is **decreased**, make **no** entry under the heading "Supplemental Reports" but change the total for the report as entered on Form 453 pursuant to the foregoing items of this paragraph.

15. If any extract from the report division is prepared with respect to cotton produced on farms located in another county,<sup>42</sup> all of the extracts furnished to a single county from the particular report division of the gin report shall be recorded in one of the sections of Part II of Form 453, or an additional Form 453 if extracts are furnished to more than four counties. Part II of Form 453 prepared with respect to gins located in other counties will not be executed. Each section of Part II of Form 453 shall be prepared as follows:

*a.* At the beginning of the section of Part II enter the name of the county to which the extracts are furnished and of the State in which it is situated.

*b.* In column A of the section of Part II enter the designation of the balance period in which the extract and the ginner's report from which it is taken are included. For example, "Sept. 1-15-No. 2".

*c.* In column B of the section of Part II enter the total gross weight of the cotton covered by the extract on Form 416<sup>43</sup> which shall be the amount on line 1, column L, of Part III thereof. The total gross weight of the extract may also be taken from and must agree with the entry in column 3, Part I, of the related Form 457.<sup>44</sup>

*d.* In column C of the section of Part II enter the total number of square bales covered by the extract on Form 416 on which **jute bagging** was used as shown on line 4, column P, of Part III thereof. The number of such bales may also be taken from and must agree with the entry in column 4, Part I, for the report division of the related Form 457.

*e.* In column D of the section of Part II enter the total number of square bales shown on the extract on Form 416 on which cotton bagging was used as shown on line 4, column Q, of Part III thereof. The number of such bales may also be taken from and must agree with the entry in column 5, Part I, for the report division of the related Form 457.

*f.* In column E of the section of Part II enter the total number of round bales shown on the extract on Form 416 as shown on line 4, column R, of Part III thereof. The number of such bales may also be taken from and must agree with the entry in column 7 of Part I for the report division of the related Form 457.

*g.* If sugar bagging was reported for any bales as shown on line 4, column S, of Part III of the extract on Form 416, the number of such bales shall be recorded in column D or E of the section of Part II of Form 453 as outlined in item 8 above. The number of such bales may also be taken from and must agree with the entry in column 6, Part I, for the report division of the related Form 457.

*h.* In column F of the section of Part II enter the weight of the bagging and ties of the cotton covered by the extract on Form 416 as shown on line 1, column M, of Part III thereof. The weight of the bagging and ties may also be taken from and must agree with the entry in column 8, Part I, for the report division of the related Form 457.

<sup>42</sup> Sec. 213 of these instructions.

<sup>43</sup> A different procedure is not required in cases where the report is made by submitting copies of the gin bale receipts or tickets and Forms 416-A since the extracts in such cases will be prepared on Forms 416. See section 213 (a) of these instructions.

<sup>44</sup> Sec. 213 (b) 7 of these instructions.

i. In column G of the section of Part II of the Form 453, for the Regular Report **only**, enter the amount of lint cotton covered by the extract on Forms 426 for the county as shown on line 1, column K, of Part III of Form 416. The amount of such cotton may also be taken from and must agree with the entry on the second line of column 3, Part I, of the related Form 457.

j. In column H of the section of Part II enter the sum of the following: (1) the total net weight of cotton covered by the extract on Forms 416, as shown on line 1 of column N of Part III thereof, plus (ii) the entry in column G of the section of Part II of Form 453 for the balance period. The amount so entered must equal the result obtained by subtracting the amount in column F of the section of Part II of Form 453 from the amount in column B thereof, plus the amount in column G thereof. The entry may also be taken from and must agree with the entry in column 9, Part I for the report division of the related Form 457, except that, in the case of the Form 453 for the Regular Report, the entry must agree with the sum of the entries on the first line of column 9 and on the second line of column 3 of the related Form 457.

16. If the cotton included on an extract **sent to** another county was returned as unallocated cotton, as provided in section 214 of these instructions, the Form 453 for the gin report from which the extract was prepared originally shall be revised as follows by the county office which prepared the extract originally:

a. In Part I, on the first unused line

- (i) in column A enter **in red** the designation of the balance period in which the extract was included,
- (ii) in column I make a **contra entry in red**<sup>46</sup> for the amount of the net weight of the unallocated cotton which was returned, and
- (iii) in column J make a credit entry for the amount of the net weight of the unallocated cotton which was returned.

b. In Part II, on the first unused line of the section for the county from which the unallocated cotton was returned,

- (i) in column A enter **in red** the designation of the balance period in which the extract was included,
- (ii) in column B make a **contra entry in red** for the amount of the gross weight of the unallocated cotton which was included in the extract on Forms 416,

- (iii) in columns C through E make a **contra entry in red** showing the number of bales of each kind which were returned as unallocated cotton,
- (iv) in column F make a **contra entry in red** for the amount of the bagging and ties for the bales of cotton which were returned as unallocated cotton,
- (v) in column G make a **contra entry in red** for the amount of lint cotton on extracts on Forms 426 which was returned as unallocated cotton, and
- (vi) in column H make a **contra entry in red** for the amount of the total net weight of the cotton returned as unallocated cotton (column B minus column F, plus column G).

c. If any part or all of the unallocated cotton is resubmitted on an extract to the county from which it was returned, as provided in item 4 of section 214, or included in an extract to another county, the extract shall be recorded in the appropriate section of Part II of the Form 453, in accordance with item 15 above, and recorded in Part I of Form 453 on the first unused line by entering in column A the balance period in which the extract was resubmitted, by making a credit entry in column I for the amount of the net lint weight of such cotton (column H of Part II), and by making a **contra entry in red** in column J for the amount of the net lint weight of such cotton.

17. If the cotton included on an extract received from another county is required to be returned to the county from which it was received, as provided in section 214, because it is unallocated cotton,

<sup>46</sup> If a **contra entry in red** is made, the total of the column in which it is made shall be the sum of the other entries therein minus the sum of the **contra entries**.

the Form 453 for the gin from which the extract was received shall be revised as follows:

a. When the cotton is returned to the county from which it was received, in Part I, on the first unused line

(i) in column A enter in red the designation of the balance period in which the extract was included,

(ii) in column B make a **contra entry in red** for the amount of the gross weight of the unallocated cotton which was included in the extract on Forms 416,

(iii) in columns C through E make a **contra entry in red** showing the number of bales of each kind which were returned as unallocated cotton,

(iv) in column F make a **contra entry in red** for the amount of the bagging and ties for the bales of cotton which were returned as unallocated cotton,

(v) in column G make a **contra entry in red** for the amount of lint cotton on extracts on Forms 426 which was returned as unallocated cotton, and

(vi) in column J make a **contra entry in red** for the amount of the total net weight of the cotton returned as unallocated cotton (column B minus column F, plus column G).

b. If any cotton which was returned as unallocated cotton is resubmitted on an extract, as provided in item 4 of section 214, the extract shall be recorded on Form 453 as in the case of any other extract received from another county.

18. At the end of the ginning season the totals of columns B through J of Part I and B through H of each division of Part II shall be entered on the respective total lines. If contra entries in red appear therein, the totals of the columns shall be the sum of the other entries therein minus the sum of the contra entries.

(b) **Preparation of Form 453 as a county summary for all gins.**—A separate Form 453 shall be prepared as a county summary of the reports from **all gins located in the county**. The county summary prepared under this paragraph shall be known as the "215 (b)-Report." The 215 (b)-Report shall be prepared as follows:

1. The title of Form 453 shall be altered to read "County Summary of Gin Reports" and the designation "215 (b)-Report" shall be entered in the heading of Form 453. A separate county summary shall be prepared for each report division,<sup>46</sup> except for reports on Forms 426, and the title of the report division shall be entered above the words "Report Designation" in the heading of Form 453.

2. In the space provided enter the State and county code number, the name of the county and the State, and the marketing year which shall be designated by the symbol "1940-1941". Make no entry in the space for the gin serial number.

3. In column A of Part I enter the designation of the balance period, as, for example, "Sept. 1-15-No. 2", "Sept. 16-30-No. 3", etc. The first balance period shall be entered on the first line and the subsequent periods shall be entered on the succeeding lines.

4. In columns B through J of Part I enter the respective sums of the entries for the particular balance period in columns B through J of Part I of Forms 453 for **all gins located in the county**.

5. A section of Part II for each county to which extracts were furnished shall be executed as follows:

a. At the beginning of the section of Part II enter the name of the county to which the extracts were furnished and of the State in which it is situated.

<sup>46</sup> Sec. 210 of these instructions.

b. In column A of the section of Part II enter the period, as, for example, "Sept. 1-15-No. 2", etc., throughout the season.

c. In columns B through H of the section of Part II enter for the particular balance period the respective sums of the entries for the county in columns B through H of Part II of Forms 453 for all gins from which extracts were furnished to the county.

6. If contra entries in red were made during the balance period on Forms 453 for any gins located in the county in connection with unallocated cotton shown on extracts sent to other counties,<sup>47</sup> the sum of the entries made on Forms 453 in connection therewith for all gins<sup>48</sup> shall be entered in red respectively in Parts I and II of the 215 (b)-Report.

7. If any entries were made during the balance period under the heading "Supplemental Reports" on Forms 453 for gins located in the county, the sum of such entries on Forms 453 for all gins shall be entered under the heading "Supplemental Reports" on the 215 (b)-Report. If the total amount of cotton on a report was decreased and the entry therefor in Part I of the Form 453 for the gin was changed, comparable changes shall likewise be made in Part I of the 215 (b)-Report.

8. At the end of the ginning season the totals of columns B through J of Part I, and B through H of each division of Part II shall be entered on the respective total lines. If contra entries in red appear therein, the totals of the columns shall be the sum of the other entries therein minus the sum of the contra entries.

(c) **Preparation of Form 453 as a county summary of extracts received from other counties.**—A summary of the extracts received from all gins situated in one county shall be prepared on Form 453. The county summary prepared under this paragraph shall be known as the "215 (c)-Report." The 215 (c)-Report shall be prepared as follows:

1. A separate county summary shall be prepared for each report division of the extract,<sup>49</sup> with the exception of the extracts on Forms 426, and the title of the report division shall be entered above the words "Report Designation" in the heading of Form 453.

2. The words "Extracts From," followed by the name of the county and State from which the Extracts were received, shall be entered in the heading above the title, and the title shall be altered to read "County Summary of Gin Reports." The designation "215 (c)-Report" shall also be entered in the heading of Form 453.

3. The State and county code number and the names of the county and State in which the 215 (c)-Report is prepared shall be entered in the spaces provided in the upper right corner of Form 453. No entry shall be made following the words "Gin Serial No."

4. In column A of Part I enter the designation of the balance period, as for example, "Sept. 1-15-No. 2," etc.

5. In columns B through J of Part I enter the respective sums of the entries for the particular balance period in columns B through J of Part I of all Forms 453 for all gins located in the county for which the 215 (c)-Report is prepared.

<sup>47</sup> Sec. 214 of these instructions.

<sup>48</sup> See item 16 of paragraph (a) of this section.

<sup>49</sup> Sec. 210 of these instructions.

6. If contra entries in red were made during the balance period on Forms 453 for any of the gins located in the county for which the 215 (c)-Report is prepared,<sup>50</sup> the sum of the contra entries so made on Forms 453 in connection with unallocated cotton returned to the county from which the extract originated shall be recorded in red on the 215 (c)-Report.

7. At the end of the ginning season the totals of columns B through J of Part I shall be entered on the total line. If contra entries in red appear therein, the total of each column shall be the sum of the other entries therein minus the sum of the contra entries.

(d) **Reports to the State office.**—Not later than December 15, 1940, copies of the 215 (b)-Report and 215 (c)-Report for each division of the gin report referred to in section 210 of these instructions, as prepared pursuant to paragraphs (b) and (c) of this section through the balance period ending November 30, 1940, shall be made in triplicate. In addition to the information shown on the original 215 (b)-Report and 215 (c)-Report, the totals of all columns shall be entered on the copies prepared under this paragraph. The original and one copy shall be forwarded to the State office. Not later than April 20, 1941, additional copies of the 215 (b)-Report and the 215 (c)-Report for each division of the gin report, as prepared pursuant to paragraphs (b) and (c) of this section through the balance period ending April 15, 1941, shall be prepared in triplicate in the county office and submitted to the State office. The original and one copy shall be submitted to the State office. The following duties *must* be performed in each county prior to the time the final 215 (b)-Report and 215 (c)-Report are submitted to the State office:

1. All extracts of Forms 416 and 426 must be prepared and forwarded to the counties in which the cotton was produced. In the case of the final reports, all extracts resubmitting unallocated cotton must be prepared and forwarded to the county in which it was reported by the ginner that the cotton was produced.<sup>51</sup>

2. The information relating to cotton produced and ginned in the county and shown on extracts received from other counties must be credited to the appropriate farm accounts on Forms 451 or, if the farm on which it was produced cannot be ascertained, credited to the suspense account on Forms 451.<sup>52</sup>

3. In the case of the final county summary, the farm operator's reports on Forms 417 and 422 of cotton produced must be on file in the county office and reconciled with the reports received from ginners and county office records.<sup>53</sup> The farm operator's reports for this purpose must be on file in the county office for all farms with the following exceptions: cases where a Form 417 or 422 was not executed and the failure or refusal of the farm operator to file the report will be made the subject of an investigation or other proceedings to enforce compliance; or the county office has another acceptable explanation of the reasons for the inability or failure to obtain the report of the farm operator.

4. The amount of cotton shown on farm accounts on Form 451, plus the amount of cotton placed in a suspense account on Form 451

<sup>50</sup> See item 17 of paragraph (a) of this section.

<sup>51</sup> See item 4 of Sec. 214 of these instructions.

<sup>52</sup> See Sec. 218 (c) of these instructions.

<sup>53</sup> Secs. 223 and 234 of these instructions.

because it cannot be credited to a particular farm, must agree with the amount of cotton shown on the gin reports and extracts as produced in the county.

5. No county office shall submit the 215 (b)-Report and the 215 (c)-Report to the State office until all county offices, whether located in the State or in another State, with which it exchanged extracts have performed the conditions herein and have prepared their 215 (b)-Reports and 215 (c)-Reports and it is determined by all such counties that each column of the 215 (b)-Reports and 215 (c)-Reports with respect to the extracts sent and received for each county is in exact agreement with the comparable information for the other counties. Each State office shall determine that this condition is complied with precisely. If any county cannot submit its summary within the time limits because of delays caused by a county in another State, irrespective of the Region, the Regional Director shall be so advised.

(e) **Semi-monthly report of cotton production.**—The person designated to work in the county office on marketing quotas and the treasurer or secretary of the county committee shall prepare a semi-monthly progress report on Form 466 concerning the gin reports and records of cotton production for each balance period. The report shall be prepared on the fifteenth day of each month and the last day of each month, that is, on the last day of each balance period, until the final 215 (b)-Report and 215 (c)-Report are submitted to the State office. Each report on Form 466 shall reflect the status of the work in the county office in connection with the gin reports and extracts included within the current balance period and all balance periods prior thereto.<sup>54</sup> The report on Form 466 shall be prepared in duplicate and distributed as follows:

1. A separate report on Form 466 for each report division,<sup>55</sup> except for the report division on Forms 426 and for cotton produced in a prior year, shall be prepared for each balance period and the title of the report division shall be entered in the space provided above the words "Report Designation." If a particular report division is not covered in any gin report or extract received, a report on Form 466 shall not be prepared for that report division. If, however, a particular report division is not covered by the gin reports or extracts received during a balance period, but the report division was included in previous gin reports or extracts received by the county, a report on Form 466 for the report division shall be prepared as outlined in this paragraph with the exception that the word "None" shall appear in column B of Form 466.

2. In the spaces provided enter the names of the State and county and the code number and the marketing year which shall be designated by the symbol "1940-1941."

3. In Part II under the headings "County" and "State" enter by States in alphabetical order the names of all counties and States for which extracts were prepared during the current balance period or any balance period prior thereto.

<sup>54</sup> Secs. 211 (a) 6; 211 (b) 1; 211 (c) 6d.; 212; 213 (a) 6; 213 (b) 6; and 213 (g) of these instructions.

<sup>55</sup> Sec. 210 of these instructions.

4. In Part III under the headings "County" and "State" enter by States in alphabetical order the names of all counties and States from which extracts were received during the current balance period or any balance period prior thereto.

5. In column A on all lines (only Part VI and line 1 of Part I of Form 466 shall be executed for the Seed Cotton Supplemental Report) enter the comparable information from column C of the Form 466 prepared for the immediately preceding balance period unless the entry in column C for the preceding balance period was in error and the county office records were subsequently corrected. In the latter event, enter the correct information for the balance periods prior to the balance period for which the report is prepared. The entry in column A of Part II for each county to which extracts were sent may be taken from and must agree with the cumulative totals therefor as shown in the **last** letter of transmittal on Forms 457 to the county covering extracts included in the immediately preceding balance period.<sup>56</sup> In the case of Form 466 for the Regular Report, the cumulative total will be the sum of the entries on the second line of column 3 and the first line of column 9 of Part III or Part V, if the latter is executed, of the Form 457. In the case of the Long Staple Report, the cumulative total will be the entry on the third line of column 9 of Part III or Part V, if the latter is executed, of the Form 457. The entry in column A of Part III of Form 466 for each county from which extracts were received must likewise conform to the last letter of transmittal on Form 457 received from the county covering extracts included in the immediately preceding balance period.<sup>57</sup>

6. On line 1, column B, of Part I enter the result obtained by subtracting from the amount for the balance period in column H of Part I of the 215 (b)-Report the amount for the balance period in column G thereof.<sup>58</sup>

7. On line 2, column B, of Part I enter the amount for the balance period in column G of the 215 (b)-Report.

8. On line 3, column B, of Part I enter the sum of the entries on lines 1 and 2 thereof.

9. In column B of Part II opposite the name of each county enter the amount for the balance period in column H of Part II of the section of the 215 (b)-Report executed for extracts sent to the county. On line 11 of Part II enter in column B the sum of the entries therein in Part II.

10. In column B of Part III opposite the name of each county enter the amount for the balance period in column H, Part II, of the 215 (c)-Report executed for extracts received from the county. On line 11 of Part III enter in column B the sum of the entries therein in Part III.

11. In column C in Parts I, II, and III enter on each line the sum of the entries in columns A and B. The entry in column C of Part II for each county to which extracts were sent may be taken from and must agree with the cumulative totals therefor as shown in the **last** letter of transmittal on Forms 457 to the county covering ex-

<sup>56</sup> Paragraphs (b) and (c) of Sec. 213 of these instructions.

<sup>57</sup> Paragraph (g) of Sec. 213 of these instructions.

<sup>58</sup> Sec. 215 (b) of these instructions.

tracts included in the balance period for which Form 466 is prepared. In the case of Form 466 for the Regular Report, the cumulative total will be the sum of the entries on the second line of column 3 and the first line of column 9 of Part III or Part V, if the latter is executed, of the Form 457. In the case of the Long Staple Report, the cumulative total will be the entry on the third line of column 9 of Part III or Part V, if the latter is executed, of the Form 457. The entry in column C of Part III of Form 466 for each county from which extracts were received must likewise conform to the **last** letter of transmittal on Form 457 received from the county covering extracts included in the balance period for which Form 466 is prepared.<sup>59</sup>

12. In columns B and C of Part IV enter the result obtained as follows: Part I, line 3, **minus** Part II, line 11, **plus** Part III, line 11.

13. In column B on line 1 of Part V enter the amount posted to farm accounts on Forms 451 for the balance period as shown by the balance sheet on Forms 451 provided for in item 2 of paragraph (d) of section 218 of these instructions.

14. In column B on line 2 of Part V enter the net amount of unallocated cotton which was posted to a suspense account. The amount of unallocated cotton shall be determined as provided in section 218(c)6 of these instructions.

15. In column B on line 3 of Part V enter the sum of the entries on lines 1 and 2 thereof.

16. In column C on lines 1, 2, and 3, respectively, of Part V enter the sum of the entries thereon in columns A and B.

17. In Part VI, following the word "Received," enter the total number of gin reports, plus the number of extracts received from other counties, which have been received from the beginning of the ginning season to the date of preparing Form 466.

18. In Part VI, following the words "Included in Balance Period," enter the number of gin reports, plus the number of extracts received from other counties, which are included in the balance period and in all prior balance periods.

19. In Part VI, following the words "Not Included in Balance Period," enter the number of gin reports and extracts on hand which are to be included in the succeeding balance period.

20. The original of the reports, signed and dated by the person designated in the county office to work on marketing quotas and the treasurer or secretary of the county committee, shall be forwarded to the State office and the copy retained in the county office.

21. If the information reported on Form 466 for any period is subsequently changed or found to be in error, it will not be necessary to revise the previous report on Form 466 and the correction will be accomplished in column A of the succeeding reports on Forms 466.

## **Sec. 216. Reimbursing Ginners for Postage Expenses Incurred**

The treasurer of the county committee shall furnish each ginner with postage stamps to cover the expense of submitting reports on Forms 416 and 426. Since the amount of postage required for each

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<sup>59</sup> If this procedure is followed consistently by all counties and Forms 457 are prepared correctly, county offices should experience little or no difficulty in complying with the fifth condition specified in paragraph (d) of this section.

report cannot be determined in advance, arrangements should be made with the ginner whereby the postage stamps may be furnished to him in advance to be used as the need arises, or whereby the ginner may be reimbursed from the administrative expense funds of the county committee for the postage expense incurred by him upon the basis of a detailed statement of such expenses presented to the county committee at the end of the season. Where postage stamps are furnished in advance, a postage account should be set up for each ginner and filed in the folder for the gin. The postage account should show (1) the value of the stamps advanced and (2) the value of the stamps used in transmitting each report. The portion of the envelope bearing the canceled postage stamps should, in the case of either method for reimbursing the ginner, be attached to and identified with the gin and the report number and filed in the folder to substantiate the postage account. Each ginner must give a receipt for any postage stamps advanced, which shall be filed in the folder for the gin to substantiate the postage account.

### Sec. 217. County Office Files for Ginners' Records and Reports

A file shall be established for each gin in the county and for each gin located in another county for which extracts are received. The file shall contain the following:

1. All Forms 416 or 416-A received from the ginner.
2. If the ginner's report is made by submitting copies of the gin bale receipts or tickets, all gin bale receipts or tickets from the gin shall be filed together and arranged in the numerical order of the farm serial numbers according to the county in which the farm on which the cotton was produced is located.
3. All Forms 426 received from the ginner.
4. All copies of extracts on Forms 416 and 426 furnished to other counties.
5. In the case of gins located in other counties, all extracts received in connection therewith on Forms 416 and 426.
6. Forms 453 prepared for the gin.
7. All supplemental reports on Form 416.
8. A copy of all correspondence with the ginner in regard to the ginner's records and reports.
9. The postage account with the ginner.

### Sec. 218. Transcribing the information Shown on Forms 416 and 426 on Individual Farm Records

(a) **Initial preparation of Forms 451.**—A record of the cotton produced on each farm in the county will be kept on Forms 451. One or more Forms 451 shall be prepared for **each farm** in the county on which cotton is planted in 1940. A separate, additional Form 451 shall be prepared for each farm on which varieties of long staple cotton are planted and such Forms 451 shall be distinguished from other Forms 451 by entering in the heading thereof above the title the words "Long Staple." Forms 451 will be printed on card stock paper with three evenly spaced notches in the lower margin in order that Forms 451 may be filed in a "post binder" designed for

that purpose. The post binders will be consigned to the county office from the State office and must be used **only** for the purpose of filing Forms 451. The posts in the binder are spaced to coincide with the notches in Forms 451 so that the Forms 451 on which postings are made during a balance period, or subdivision of a balance period,<sup>60</sup> may be moved from the left side of the binder to the right side thereof and be held in place separated from the other cards until the postings are balanced. Forms 451 marked "Long Staple" must be filed together and separated from other Forms 451. Forms 451 for all farms in the county must be prepared as follows, **prior to the time any cotton is ginned for farms in the county:**

1. In the spaces provided enter the following:

- a. The State and county code and farm serial number.
- b. The card number and total number of cards of Form 451 prepared for a farm which are required to list the cotton produced on the farm (including any marked "Long Staple").
- c. The marketing year which shall be designated by the symbol "1940-1941".
- d. The name of the farm operator and the serial numbers of any other farms in which the operator or producers have an interest.

2. On line 15, enter the following:

- a. After the words "Normal Yield", enter the normal yield per acre established for the farm.
- b. After the words "Acreage Allotment", enter the cotton acreage allotment established for the farm.
- c. After the words "Planted Acreage", enter the acreage planted to cotton in 1940 on the farm.

(b) **Transcribing information from gin reports.**—The information contained in the Regular Report and the Report of Seed Cotton Marketed (Forms 426) received from the ginner, or on extracts of the report division received from other counties, shall be recorded on the same Form 451. The information contained in the Long Staple Report or on extracts of that report division received from other counties, shall be recorded separately on the Form 451 marked "Long Staple". The information on the Seed Cotton Supplemental Report shall not be recorded on Forms 451 and the divisions of the ginner's reports covering cotton produced prior to 1940 will be recorded on the records applicable to the year in which the cotton was produced. The information shall be transcribed from the ginner's report to Form 451 as follows:

1. The information for each bale or lot of cotton shall be **listed horizontally** in columns 1 through 12, that is, the information for the first bale or lot of cotton will be entered on line 1 of columns 1 through 4, the information for the second bale on line 1 of columns 5 through 8, and so forth. The information for each balance period shall be listed on separate consecutive lines and the information to be included in two or more balance periods should **not** be listed on the same line.

2. If column J of Form 416 was executed as provided in item 19 of section 211 (a) of these instructions, or if the weight of the bagging and ties for each bale is to be deducted separately from the gross weight of the cotton covered by each gin bale receipt or ticket in cases where the submission of the gin report in that manner was

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<sup>60</sup> Sec. 212 (b) of these instructions.

approved, the information on Forms 416, or the gin bale receipt or ticket, for each bale shall be entered as follows:

- a. In column 1, 5, or 9 enter the gin serial number and gin report number. If the gin report is for a gin located in another county, the number of the gin and report number shall be preceded by the code number of the State and county in which the gin is situated. For example, for the first report from gin serial No. 2 in the county enter "2-1", or for the first report from gin serial No. 3 in another county enter "74-001-3-1".
- b. In column 2, 6, or 10 enter the gin bale number or mark from column F of Form 416, or from the gin bale receipt or ticket.
- c. In column 3, 7, or 11 enter the **net weight** of the cotton as shown in column J of Form 416, or by deducting the weight of the bagging and ties from the gross weight of the bale as shown on each gin bale receipt or ticket.
- d. In columns 4, 8, and 12 make no entry.
- 3. If column J of Form 416 was **not** executed as provided in item 19 of section 211 (a) of these instructions, or if the weight of the bagging and ties for each bale is not deducted separately from the gross weight of the cotton covered by each gin bale receipt or ticket in cases where the submission of the gin report in that manner was approved, and the net weight of the cotton covered by the report was determined as provided in item 20 b. of section 211 (a) of these instructions, or as provided in item 6 of section 211 (c) of these instructions, the information on Forms 416, or the gin bale ticket or receipt, for each bale shall be entered as follows:

- a. In columns 1, 5, or 9 enter the gin serial number and gin report number as provided in item 2 a. of this paragraph.
- b. In column 2, 6, or 10 enter the gin bale number or mark from column F of Form 416, or from the gin bale receipt or ticket.
- c. In column 3, 7, or 11 enter the **gross weight** of the bale as shown in column H of Form 416, or the gin bale ticket or receipt.
- d. In column 4, 8, or 12 record the weight of the bagging and ties as follows:
  - (i) Make **no** entry for a square bale on which jute bagging was used;
  - (ii) Enter "14" for a square bale on which **cotton** bagging was used;
  - (iii) Enter "3" for a **round** bale;
  - (iv) Enter "19" for a square bale on which **sugar** bagging was used;
  - (v) Enter an "X" for loose lint cotton not baled by the ginner.

- 4. In recording cotton reported on Forms 426, the following procedure shall be observed:

- a. In column 1, 5, or 9 enter the gin serial number and gin report number as provided in item 2 a. of this paragraph, with the exception that it shall be preceded by the letter "S".
- b. In columns 2, 6, and 10 make no entry.
- c. In column 3, 7, or 11 enter the estimated amount of lint in the seed cotton as shown in column H or column I of Form 426.
- d. In columns 4, 8, and 12 make no entry if the procedure outlined in item 2 of this paragraph was followed. If the procedure outlined in item 3 of this paragraph was followed, in column 4, 8, or 12 enter the symbol "X."

- 5. In column 13, opposite the last bale or lot of cotton recorded as outlined above for a balance period, enter the number of the balance period, as for example "2" or "2-A" or "2-AA." The date of the balance period shall not be entered.<sup>61</sup>

- 6. In column 14, opposite the number of the balance period, enter the sum of the entries for the balance period in columns 3, 7, and 11.

- 7. In column 15 make no entry if the procedure outlined in item 2 of this paragraph was followed. If the procedure outlined in item 3

<sup>61</sup> Sec. 212 of these instructions.

of this paragraph was followed, enter in column 15, opposite the entry in column 14, the sum of the results obtained as follows:

a. 22 pounds multiplied by the number of bales for which *no* entry appears in columns 4, 8 and 12 for the balance period.

b. 14 pounds multiplied by the number of bales for which the entry "14" appears in columns 4, 8 and 12 for the balance period.

c. 3 pounds multiplied by the number of bales for which the entry "3" appears in columns 4, 8 and 12 for the balance period.

d. 19 pounds multiplied by the number of bales for which the entry "19" appears in columns 4, 8 and 12 for the balance period.

8. In column 16, opposite the entry in column 14, enter, for the **first** balance period, the amount in column 14, and for the **second and each subsequent** balance period, the sum of the following: (i) the entry in column 14 for the balance period, plus (ii) the entry in column 16 for the immediately preceding balance period.

9. In column 17, opposite the entry in column 15, enter, for the **first** balance period, the amount in column 15, and for the **second and each subsequent** balance period, the sum of the following: (i) the entry in column 15 for the balance period, plus (ii) the entry in column 17 for the immediately preceding balance period.

10. After the entries for a farm are posted to Form 451 as provided above, the Form 451 shall be moved from the left side of the post binder to the right side thereof and thereby separated from the Forms 451 on which no postings were made until the postings for the period, or subdivision thereof, are balanced.

(c) **Suspense accounts for unallocated cotton.**<sup>62</sup>—If cotton reported by the ginner cannot be allocated to a farm in the county in which the ginner reported it was produced, the amount thereof shall be recorded in a suspense account on Forms 451. Separate suspense accounts shall be established for unallocated long staple cotton and so designated by the words "Long Staple." The suspense accounts shall be prepared as follows:

1. The suspense account shall consist of two subdivisions as follows:

a. Subdivision 1 shall be used to record the amounts of unallocated cotton placed in the suspense account under the following circumstances:

(i) The cotton was reported by the ginner as produced in the county in which the gin is situated, or the ginner failed to indicate the county of origin, and the farm on which it was produced cannot be identified. In that event it shall be placed in the suspense account for the county in which the gin is situated.

(ii) The cotton was included on an extract received from another county and the farm on which it was produced cannot be identified. In that event it shall be placed in the suspense account for the county receiving the extract until it can be returned to the county in which the extract originated.

(iii) The cotton which was included on an extract and sent to the county in which it was reported by the ginner as produced is returned by that county as unallocated cotton to the county in which the extract originated. In that event it shall be placed in the suspense account for the county to which the extract was returned.

(iv) The cotton included on an extract received from another county which was returned to that county as unallocated cotton is received again on another extract at the end of the ginning season because the county in which the extract originated was unable to identify the cotton with a farm. In that event the unallocated cotton shall be placed in the suspense account

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<sup>62</sup> This paragraph must be applied in the light of the related provisions contained in Sec. 214 of these instructions

for the county to which the extract was resubmitted, that is, the county in which the ginner reported that the cotton was produced.

b. Subdivision 2 shall be used to record the amounts of unallocated cotton which are removed from the suspense account under the following circumstances:

(i) The cotton is identified with the farm on which it was produced, whether the farm is in the county in which the suspense account was established or in another county.

(ii) The unallocated cotton was included in an extract received from another county and it is returned to that county (see a. (ii) above under which the cotton was placed in the suspense account).

(iii) The unallocated cotton which was included on an extract sent to another county and returned by that county as unallocated cotton is resubmitted at the end of the ginning season to the county in which the ginner reported that the cotton was produced because the cotton has not been identified with a farm (see a. (iii) above under which the cotton was placed in the suspense account).

2. Above the title of Form 451 enter the legend "Suspense Account—Subdivision 1" or "Suspense Account—Subdivision 2." All entries in Subdivision 2 must be made in red.

3. In the spaces provided enter the State and county code number, the card number and total number of cards in each subdivision, and the marketing year which shall be designated by the symbol "1940-1941".

4. When it is determined that any cotton is unallocated cotton, as outlined in item 1 a. of this paragraph, the information concerning the unallocated cotton shall be entered in columns 1 through 12 of Subdivision 1 in the manner outlined in paragraph (b) of this section for posting other cotton to farm accounts. After all of the unallocated cotton which was received during a particular balance period, or subdivision thereof, is posted, columns 13 through 17 of Subdivision 1 shall be completed as outlined in paragraph (b) of this section. In the event that cotton is placed in the suspense account under the circumstances outlined in item 1 a. (iii) of this paragraph, the balance period shall be subdivided so that the amount of such cotton will be included in a separate subdivision of the balance period.<sup>63</sup>

5. When it is determined that any unallocated cotton shall be removed from the suspense account, as outlined in item 1 b. of this paragraph, the information concerning the cotton shall be entered in columns 1 through 12 of Subdivision 2 in the manner outlined in paragraph (b) of this section for posting other cotton to farm accounts. After all cotton which is removed from the suspense account during a balance period is posted, columns 13 through 17 of Subdivision 2 shall likewise be executed.

6. The net amount of unallocated cotton for the county at the end of any balance period shall be determined as follows:

a. In case the procedure in paragraph (b) 3 of this section was followed, the gross weight will be the amount by which the cumulative total of column 16 of Subdivision 1 exceeds the cumulative total of column 16 of Subdivision 2, and the net weight will be the amount by which the cumulative total of column 16 of Subdivision 1, minus the cumulative total of column 17 thereof, exceeds the cumulative total of column 16 of Subdivision 2, minus the cumulative total of column 17 thereof.

b. In case the procedure in paragraph (b) 2 of this section was followed, the net weight will be the amount by which the cumulative total of column 16 of Subdivision 1 exceeds the cumulative total of column 16 of Subdivision 2.

<sup>63</sup> Sec. 212 (b) and items 1 and 3 a. of paragraph (d) of this section of these instructions.

7. The net amount of unallocated cotton placed in the suspense account for any balance period, or subdivision thereof, shall be determined as follows:

a. In case the procedure in paragraph (b) 3 of this section was followed, the net weight will be the amount by which the entry in column 14 of Subdivision 1 for the balance period, or subdivision thereof, exceeds the related entry in column 15 thereof.

b. In case the procedure in paragraph (b) 2 of this section was followed, the net weight will be the amount in column 14 of Subdivision 1 for the balance period or subdivision thereof.

(d) **Balancing individual farm accounts with gin reports.**—After the gin reports, whether received from gins located in the county or on extracts from other counties, for a balance period, or a subdivision thereof, are posted to the farm accounts and suspense accounts on Forms 451 and the extracts for other counties have been prepared and forwarded to the other counties, the records of cotton production shall be balanced as follows:

1. A balance shall be made for each balance period with respect to the reports included in the balance period. It is advisable to divide the reports for a ginning period into groups consisting of one or more gin reports and balance them separately during the periods of the greatest ginning activity. The balance period shall be subdivided if cotton is placed in the suspense account under the circumstances outlined in item 1 a. (iii) of paragraph (c) of this section so that the amount of such cotton will be included in a separate subdivision of the balance period.

2. Separate Forms 451 shall be prepared as a balance sheet for the farm accounts on Forms 451. A separate balance sheet shall be prepared for the farm accounts on Forms 451 marked "Long Staple". The balance sheet shall be prepared as follows:

a. Above the title enter the words "Balance Sheet" or "Balance Sheet—Long Staple", as the case may be.

b. In the spaces provided enter the State and county code number, the card number and total number of cards prepared for this purpose, and the marketing year which shall be designated by the symbol "1940-1941".

c. In columns 1 through 12 make no entry.

d. In column 13 enter the balance period number, as, for example, 1, or 2, or 3-A, or 3-B, or 3-AA, etc. The balance periods shall be listed in serial number order and in the alphabetical order of the letters indicating the subdivision of the balance period.

e. In column 14, opposite the balance period number, enter the sum of the entries in column 14 of the farm accounts on Forms 451 for which entries were made for the balance period, or subdivision thereof. The farm accounts on Forms 451 to be totaled for this purpose will be distinguished from other Forms 451 because the accounts are placed on the right side of the post binder.

f. In column 15, opposite the balance period number, enter the sum of the entries in column 15 of the farm accounts on Forms 451 for which entries were made for the balance period, or subdivision thereof.

g. In column 16, opposite the entry in column 15, enter, for the first balance period, or subdivision thereof, the amount in column 14 of the balance sheet, and, for each subsequent balance period, or subdivision thereof, the sum of the following: (i) the entry in column 14 of the balance sheet for the balance period, or subdivision thereof, plus (ii) the entry in column 16 of the balance sheet for the immediately preceding balance period, or subdivision thereof.

h. In column 17, opposite the entry in column 15, enter, for the first balance period, or subdivision thereof, the amount in column 15, and, for each subsequent balance period, or subdivision thereof, the sum of the following: (i) the entry in column 15 for the balance period, or subdivision thereof, plus (ii) the entry in column 17 for the immediately preceding balance period, or subdivision thereof.

3. For any single balance period, or subdivision thereof, the entry in column 14 minus the entry in column 15 of the two balance sheets (entitled "Balance Sheet" and "Balance Sheet-Long Staple"), respectively, for the balance period, or subdivision thereof, plus, in each case, the net amount of unallocated cotton placed in the suspense account for the balance period, or subdivision thereof,<sup>64</sup> must equal the following:

a. The results obtained as follows: (1) the sum of the entries on line 3 of columns K and N of Part III of all Regular Reports (line 3, column N, of Part III for the Long Staple Report) on Forms 416 received from gins located in the county which were included in the balance period, or subdivision thereof, plus (ii) the sum of the entries on line 1 of columns K and N of Part III of all Regular Report extracts (line 1, column N, of Part III for the Long Staple Report extracts) received from other counties which were included in the balance period, or subdivision thereof, plus (iii) the sum of the entries on line 3 of columns A and D of Part III of all Forms 416-A (or line 3, column G, of Form 416-A for long staple cotton) received from gins located in the county which were included in the balance period, or subdivision thereof. (The total net weight of unallocated cotton on extracts sent to other counties which are returned during the balance period will be included in a separate subdivision of the balance period and balanced separately with the suspense account.)

b. The sum of the entries for the balance period in columns J of Part I of the 215 (b)-Reports and the 215 (c)-Reports for the Regular Report and Long Staple Report divisions of the gin reports respectively.<sup>65</sup> (If the balance period was subdivided, this balance should be omitted since the 215 (b)-Report and 215 (c)-Report are not prepared on the basis of balance period subdivisions.)

c. The amount in column B of Part IV of the report on Form 466 for the balance period. (If the balance period was subdivided, this balance should be omitted since Form 466 is not prepared on the basis of balance period subdivisions.)

4. At the end of any balance period, the entry in column 16, minus the entry in column 17, of the two balance sheets for farm accounts, respectively, plus, in each case, the net amount of unallocated cotton for the county at the end of the balance period,<sup>66</sup> must equal the following:

a. The amount in column C of Part IV of the report on Form 466 for the balance period.

b. The sum of the totals of columns J of Part I of the 215 (b)-Reports and the 215 (c)-Reports for the Regular Report and Long Staple Report divisions of the gin reports respectively.

(e) **Comparison of reports of cotton ginned with producer's record.**—The information on the farm operator's report on Form 417 required pursuant to section 805 (d)<sup>67</sup> of the regulations and the farm operator's report on Form 422 required pursuant to section 805 (b)<sup>68</sup> of the regulations shall be compared with the information for the farm on Form 451. If there is any difference between the record on Form 451 and the farm operator's report, the producer and the ginner or buyer or transferee shall be requested to furnish the necessary information to correct the incomplete or erroneous items. After the farm operator's report and Form 451 are in agreement the following entries shall be made on line 15 of Form 451:

1. Under the heading "Number of Bales", enter the total number of bales produced on and ginned from the farm. Do not count loose lint cotton or cotton marketed in the seed.

<sup>64</sup> Item 7 of paragraph (c) of this section.

<sup>65</sup> Paragraphs (b) and (c) of Sec. 215 of these instructions.

<sup>66</sup> Item 6 of paragraph (c) of this section.

<sup>67</sup> Sec. 234 of these instructions.

<sup>68</sup> Sec. 223 of these instructions.

2. Under the heading "Gross Weight" enter the total gross weight of the cotton produced on the farm, if the procedure in paragraph (b) 3 of this section was observed. The gross weight in that event will be the last entry in column 16 of Form 451. If the procedure outlined in paragraph (b) 2 of this section was observed, make no entry under the heading "Gross Weight".

3. Under the heading "Tare Weight", if an entry appears under the heading "Gross Weight", enter the weight of the bagging and ties for the cotton produced on the farm. The weight of the bagging and ties will be the last entry in column 17 of Form 451.

4. Under the heading "Net Weight" enter the total net weight of the cotton produced on the farm. The net weight of the cotton will be the last entry in column 16 of Form 451, if the procedure outlined in paragraph (b) 2 of this section was observed, or the amount by which the entry under the heading "Gross Weight" on line 15 of Form 451 exceeds the entry under the heading "Tare Weight" of line 15 thereof.

5. After the words "Yield Per Acre" enter the result obtained by dividing the total net weight by the acreage planted to cotton. Express the yield to the nearest tenth of a pound.

(f) **Corrections in Forms 451.**—If an error was made in transcribing the amounts of cotton from the gin reports to the farm accounts on Forms 451, the entries previously made on Forms 451, including the entries in columns 13 through 17 thereof, shall not be altered. The correction of the record shall be accomplished as follows:

1. If cotton was placed in the suspense account and the farm on which it was produced is subsequently determined, the total amount of such cotton which is removed from the suspense account during a balance period shall be included in a separate subdivision of that balance period and entered accordingly on the farm accounts and balance sheets on Forms 451.

2. If cotton was erroneously credited to a farm account and included in the period subtotal and cumulative total in columns 14 through 17 thereof, a **contra entry in red** for the amount of such cotton shall be made on the farm account and balance sheet as follows:

a. Columns 1 through 12 of the farm account shall be executed as provided in section 218 (b) of these instructions for each bale or lot of such cotton.

b. In column 13 of the farm account opposite the last bale or lot of such cotton, enter the number of the balance period. A separate subdivision of the balance period shall be established for such cotton and no other cotton shall be included in the subdivision.

c. In column 14 of the farm account opposite the number of the balance period, enter the sum of the entries for such cotton in columns 3, 7, and 11.

d. In column 15 of the farm account make no entry if, in posting cotton to the farm account, the procedure outlined in paragraph (b) 2 of this section was followed. If, in posting cotton to the farm account, the procedure outlined in paragraph (b) 3 of this section was followed, the weight of the bagging and ties of such cotton shall be determined and entered in column 15 in the manner outlined in item 7 of paragraph (b) of this section.

e. In column 16 of the farm account opposite the entry in column 14, enter the amount by which the entry in column 16 for the immediately preceding balance period, or subdivision thereof, exceeds the entry in column 14 for such cotton. The entry in column 16 is not a contra entry and shall not be made in red.

f. In column 17 of the farm account opposite the entry in column 15, enter the amount by which the entry in column 17 for the immediately preceding balance period, or subdivision thereof, exceeds the entry in column 15 for such cotton.

The entry in column 17 is **not** a contra entry and shall **not** be made in red.  
g. In column 13 of the balance sheet enter the designation of the subdivision of the balance period in which such cotton is included.

h. In column 14 of the balance sheet, opposite the designation of the subdivision of the balance period, enter the sum of the amounts in columns 14 of the farm accounts on Forms 451 for which contra entries in red were made and included in the subdivision of the balance period.

i. In column 15 of the balance sheet, opposite the designation of the subdivision of the balance period, enter the sum of the entries in columns 15 of the farm accounts on Forms 451 for which contra entries in red were made and included in the subdivision of the balance period.

k. In column 17 of the balance sheet, opposite the entry in column 15, enter the amount by which the entry in column 16 for the immediately preceding balance period, or subdivision thereof, exceeds the entry in column 14 for such cotton. The entry in column 16 is **not** a contra entry and shall **not** be made in red.

k. In column 17 of the balance sheet, opposite the entry in column 13, enter the amount by which the entry in column 17 for the immediately preceding balance period, or subdivision thereof, exceeds the entry in column 15 for such cotton. The entry in column 17 is **not** a contra entry and shall **not** be made in red.

3. If cotton was erroneously credited to a farm account and included in the period subtotal and cumulative totals in columns 14 through 17 thereof, when in fact such cotton should have been posted to the credit of a different farm account on Form 451 in the county, the correction shall be made as follows:

a. The amount of such cotton shall be removed by contra entries in red from the Form 451 to which it was erroneously credited in accordance with the procedure outlined in item 2 of this paragraph, except that a check mark (✓) shall be entered in column 13 in lieu of the balance period.

b. The amount of such cotton shall be credited to the proper farm account on Form 451 in accordance with the procedure outlined in item 2 of this paragraph, except that a check mark (✓) shall be entered in column 13 in lieu of the balance period.

c. Since the entries outlined in items a. and b. above will be made simultaneously and will not alter the total amount of cotton posted to farm accounts, no entries in connection therewith shall be made on the balance sheet on Form 451.

(g) **Record of each producer's share in cotton on farms for which red marketing cards are issued.**—The record of cotton produced on farms for which red marketing cards are issued shall be kept on Forms 451 as hereinabove provided. If there is only one producer unit on the farm, the share of each producer in the cotton produced on the farm shall be determined by dividing the total production for the farm as shown on Form 451 among the producers on the farm according to their respective fractional shares therein, that is, one-half, or one-fourth, or three-fourths, etc. If there is more than one producer unit on the farm, a record of each producer's share in the cotton recorded on Form 451 during a single balance period shall be recorded on Form 354 prepared as follows:

1. In the spaces indicated enter the State and county code and farm serial number and, in the space provided for the gin serial number and report number, enter the balance period number.

2. In column (a) enter the name of each producer on the farm by or for whom cotton was ginned during the period covered by the report. The name of the operator and the landlord, respectively, shall be entered on the last two lines in column (a). If the lines on a single sheet of Form 354 are not sufficient to list the names of all producers on the farm, the name of the operator and landlord,

respectively, shall be entered on the last two lines of each sheet of Form 354.

3. In column (b) opposite the name of each producer enter the fractional share of the landlord in the cotton grown by the producer.

4. In column (c) opposite the name of each producer enter the fractional share of the operator in the cotton grown by the producers.

5. In column (d) opposite the name of each producer enter his fractional share in the cotton grown by him.

6. In the heading of columns (e) through (r), following the words "Bale No.", enter in consecutive order the gin bale number or mark of each bale of cotton produced on the farm which is covered by the gin reports for the balance period or, if the cotton is reported on Forms 426, enter the words "Seed Cotton".

7. In the heading of columns (e) through (r), following the words "Net lbs.", enter the net weight of the bale of cotton identified by the gin bale number or mark entered in the heading of the column or, in the case of Forms 426, the total estimated amount of lint cotton shown thereon for the farm.

8. In columns (e) through (r) opposite each producer's name enter his share in the net weight of the bale of cotton or estimated lint in seed cotton appearing in the heading of the column.

9. After all cotton produced on the farm as shown on the ginner's report has been recorded as indicated above, the sum of the entries in columns (e) through (r) shall be entered in column (s) opposite each producer's name.

10. In the heading of column (s), following the word "Total", enter the sum of the entries in the heading of columns (e) through (r) following the words "Net lbs." which must agree with the total amount of cotton for the balance period as shown on Form 451 for the farm.

11. A separate Form 354 shall be prepared for cotton shown on the Long Staple Report received from the ginner.

12. Forms 354 shall be filed in the farm folder.

#### E. RECORDS AND REPORTS FOR UNDERPLANTED FARMS IN CONNECTION WITH WHICH NO PRODUCER HAS CARRY-OVER PENALTY COTTON AND FOR WHICH NO RED MARKETING CARD WILL BE ISSUED

##### Sec. 219. Issuing White Marketing Cards

(a) **Conditions under which white marketing cards will be issued.**—White marketing cards (Form 411) will be issued in accordance with this section to the operator and, unless the county committee finds that it will not serve a useful purpose, to every producer on each farm in the county for which a cotton acreage allotment and normal yield per acre of lint cotton were established<sup>69</sup> with the following exceptions:<sup>70</sup>

1. No white marketing card shall be issued to the producers on an overplanted farm.<sup>71</sup>

<sup>69</sup> Sec. 501 (a) of the regulations.

<sup>70</sup> See Secs. 901 and 903 of the regulations for issuing white marketing cards in cases where red marketing cards would otherwise be issued. See also Secs. 235 and 236 of these instructions.

<sup>71</sup> Sec. 501 (b) of the regulations.

2. No white marketing card shall be issued to the producers on a farm in connection with which one or more producers have carry-over penalty cotton.<sup>71</sup>

3. No white marketing card shall be issued to the producers on a farm on which no cotton is planted in 1940.

4. No white marketing card shall be issued to or for any producer with respect to any farm in the county in which he has an interest as a cotton producer if he has an interest in an overplanted farm in the county or a farm in the county in connection with which he or any other producer has carry-over penalty cotton. However, unless exceptions Nos. 5 or 7 below are applicable, white marketing cards may be issued to or for producers other than the multiple farm producer on any underplanted farm in the county in connection with which no producer has carry-over penalty cotton although the multiple farm producer also has an interest therein.<sup>72</sup> **Comment:** If, for example, a producer has an interest in two farms in the county, the first farm being an overplanted farm or a farm in connection with which he or another producer has carry-over penalty cotton and neither of these conditions exists on the second farm, the producer is not eligible to receive a white marketing card for either of the farms. However, the other producers on the second farm may be issued white marketing cards if the multiple farm producer does not participate directly in the management or control of the farm and receives merely a proportionate share of the cotton produced thereon or the proceeds of a proportionate share therein.

5. No white marketing card shall be issued to or for any of the producers on an underplanted farm in the county in connection with which no producer has carry-over penalty cotton if (i) a producer thereon also has an interest as a cotton producer in an overplanted farm in the county or a farm in the county in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committee determines that the issuance of a red marketing card to or for all of the producers is necessary in order to enforce the provisions of the Act.<sup>73</sup> **Comment:** If a producer in the county has an interest in two farms in the county, the first farm being an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and neither of these conditions exists on the second farm, red marketing cards shall nevertheless be issued to or for the other producers on the second farm as well as the first farm if this is determined to be necessary. This exception applies, for example, but not exclusively, to cases where the interests of the multiple-farm producer and the other producers as they affect the marketing quota provisions are closely related or the multiple-farm producer exercises a control or management over the farms or the operation of the farms is substantially identical.

6. No white marketing card shall be issued to or for any producer with respect to any farm in the State in which he has an interest as a cotton producer if (i) he has an interest in an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committees of the respective counties agree, or the State committee determines, that exception No.

<sup>71</sup> Sec. 501 (b) of the regulations.

<sup>72</sup> Sec. 505 (b) of the regulations.

4 above shall apply to him with respect to all farms in the State in which he has an interest.<sup>73</sup> **Comment:** This exception applies, for example, but not exclusively, to cases where a producer has an interest in two farms, the first being an overplanted farm or a farm in connection with which a producer has carry-over penalty cotton and neither of these conditions exists on the second farm, and the farms are in adjoining counties or different counties and the county boundary lines are inadequate guides in separating the activities of the producer with respect to the farms insofar as the marketing quota provisions are concerned.

7. No white marketing card shall be issued to or for any of the producers on an underplanted farm in the State in connection with which no producer has carry-over penalty cotton if (i) a producer thereon also has an interest as a cotton producer in an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committees of the respective counties agree, or the State committee determines, that exception No. 5 above shall apply with respect to all such farms in the State.<sup>74</sup> **Comment:** This exception applies, for example, but not exclusively, to cases where a producer has an interest in two farms, the first being an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and neither of these conditions exists on the second farm, and the farms are in adjoining counties or different counties and the interests of the multiple farm producer and other producers as they affect the marketing quota provisions are closely related or the multiple farm producer exercises a control or management over the farm or the operation of the farm is substantially identical.

8. No white marketing card shall be issued to any producer if the county committee determines that the issuance of a red marketing card rather than the issuance of a white marketing card is necessary to enforce the provisions of the Act.<sup>75</sup> **Comment:** This exception applies, for instance, but not exclusively, to cases where (i) a producer apparently used a white marketing card (form Cotton 211 or 311) for a previous marketing year to identify cotton which would otherwise have been marketed subject to penalty by another producer or himself or otherwise used the form Cotton 211 or 311 so issued in an attempt to evade the provisions of the Act or regulations issued thereunder for the marketing year, or (ii) where a producer who would otherwise be eligible to receive a white marketing card is so closely connected with a producer on an overplanted farm or who has carry-over penalty cotton that the issuance of a red marketing card to both producers in view of their connection is necessary in order to enforce the provisions of the Act.

9. No white marketing card shall be issued to or for any producer on a farm in an area *not* designated below on which the acreage planted in 1940 to all varieties of cotton, including Sea Island and American-Egyptian cotton, is in excess of the farm acreage allotment therefor.<sup>76</sup> The areas to which this exception does not apply are

<sup>73</sup> Sec. 505 (b) of the regulations.

<sup>74</sup> Sec. 505 (c) of the regulations.

<sup>75</sup> Sec. 501 (b) of the regulations.

<sup>76</sup> Sec. 902 of the regulations.

as follows: All counties in Arizona and Florida; the following counties in Alabama: Mobile and Baldwin; and the following counties in Georgia: Appling, Atkinson, Bacon, Ben Hill, Berrien, Bibb, Bleckley, Brantley, Brooks, Bulloch, Candler, Charlton, Chatham, Clinch, Coffee, Colquitt, Cook, Crisp, Dodge, Dooly, Dougherty, Echols, Emanuel, Evans, Glynn, Houston, Irwin, Jeff Davis, Jefferson, Jenkins, Johnson, Laurens, Long, Lowndes, McIntosh, Macon, Mitchell, Montgomery, Pierce, Pulaski, Screven, Tattnall, Telfair, Thomas, Tift, Toombs, Turner, Washington, Ware, Wayne, Wheeler, Wilcox, Wilkinson, and Worth.

10. No white marketing card shall be issued to any producer on a new farm for which a cotton acreage allotment and normal yield per acre of lint cotton and a marketing quota are not established because an application therefor was not made within the time limit prescribed.<sup>77</sup>

(b) **Preparation of Form 410-A.**—In issuing white marketing cards pursuant to section 501(a) of the regulations, Form 410-A prepared with Form 410 as provided in section 204 of these instructions shall be executed for the purpose of issuing marketing cards by entering in column H in numerical order the serial numbers of the Form 411 to be issued, beginning with the first serial number of the Form 411 consigned to the county, with the exception that no entry shall be made in column H for any person to whom one or more of the exceptions enumerated in paragraph (a) is applicable. If any of the exceptions are applicable, a line shall be drawn through the entries in columns A through J for the farm, and in column K the notation "Exception 1", "Exception 2", etc., as the case may be, shall be entered. The word "White" shall be entered in the title of Form 410-A in the blank space in the title thereof preceding the words "Marketing Cards". The county office may enter in column G of Form 410-A the acreage planted to cotton in 1940 on the farm. It is not required, however, that this column be executed and the space is provided for the convenience of the county office.

(c) **Preparation of Form 411.**—After Form 410-A is prepared as indicated in paragraph (b), Forms 411 shall be prepared as follows:

1. In the space indicated, enter the names of the county and State and the State and county code and the farm serial number as shown in column A of Form 410-A opposite the corresponding marketing card serial number which has been entered in column H thereof.

2. In the space indicated, enter a description of the farm if the operator of the farm for which the Form 411 is to be issued has an interest in more than one farm, or if the county committee determines that a description of the farm is necessary.

3. The name and full mail address of the farm operator to whom the marketing card is to be issued shall be printed or typed above the words "Print name and full mail address of farm operator".

4. The word "Same" shall be printed or typed above the words "Print name and full mail address of producer to whom issued."

5. Form 411 shall then be compared with the entries in columns A, B, and H of Form 410-A to determine whether the comparable in-

<sup>77</sup> Sec. 502 (a) of the regulations.

formation appearing therein is identical with that on the marketing card.

(d) **Receipts for Form 411 issued to farm operators.**—The county committee shall examine each Form 411 and 410-A prepared as indicated in paragraphs (b) and (c) and, if it finds that Forms 411 so prepared may properly be issued to the operators whose names appear thereon, a member of the committee on its behalf shall sign each Form 411 and enter thereon the date of his signature. The county committee shall then cause each marketing card to be issued to the operator whose name appears thereon, who shall receipt therefor by signing his name on the applicable line in column J of Form 410-A and by entering the date of his signature in column I thereof. Form 422, prepared as outlined in section 223 (a) of these instructions, shall be issued to the operator at the time the white marketing card is issued and the use of Form 422 shall be explained in detail to the producer. **Each operator shall, upon receiving Form 411, promptly sign his name (in the style shown therein) in the space provided and enter the date of his signature opposite it.**

(e) **Preparation of Form 410-A for white marketing cards issued to producers other than the operator (not applicable in the Western Region).**—After Forms 411 are issued to farm operators as outlined in the preceding paragraphs of this section, the county committee shall have Form 410-A prepared in the original only as follows for all other producers on the farms to which the white marketing cards were issued pursuant to this section unless the county committee finds that the issuance of a white marketing card to any one of such producers will not serve a useful purpose:

1. In the spaces indicated enter the State and county code number, the page number, the name of the county and State, the marketing year, that is, "1940-1941", and, in the blank space preceding the words "Marketing Cards" in the title, enter the word "White".
2. List the information for all producers on a particular farm on consecutive lines.
3. In column A enter the farm serial number.
4. In column B enter the name of the producer to whom the Form 411 is to be issued.
5. In column H enter the printed serial number of the Form 411 to be issued to the producer.
6. Make no entries in the remaining columns.

(f) **Preparation of Form 411 for producers other than the operator.**—After Form 410-A is prepared as indicated in paragraph (e), Form 411 for producers other than the farm operator shall be prepared as follows:

1. In the space indicated, enter the names of the county and State and the State and county code number and the farm serial number as shown in column A of Form 410-A opposite the corresponding marketing card serial number which has been entered in column H thereof.
2. In the space indicated, enter a description of the farm, if the farm operator has an interest in more than one farm, or if the county committee determines that a description of the farm is necessary.

3. The name and full mail address of the farm operator shall be printed or typed above the words "Print name and full mail address of farm operator".

4. The name and full mail address of the producer to whom the marketing card is to be issued shall be printed or typed above the words "Print name and full mail address of producer to whom issued."

5. Form 411 shall then be compared with the entries in columns A, B, and H of Form 410-A to determine whether the comparable information appearing therein is identical with that on the white marketing card.

(g) **Receipts for Form 411 issued to producers other than the operator.**—The county committee shall examine each Form 411 and Form 410-A prepared as indicated in paragraphs (e) and (f) and, if it finds that Forms 411 so prepared may properly be issued to the producers whose names appear thereon, a member of the committee on its behalf **shall sign** each Form 411 and enter thereon the date of his signature. The county committee shall then cause each marketing card to be issued to the producer whose name appears thereon, who shall receipt therefor by signing his name on the applicable line in column J of Form 410-A and by entering the date of his signature in column I hereof. Each producer shall, upon receiving Form 411, promptly sign his name (in the style shown therein) in the space provided and enter the date of his signature opposite it.

(h) **Delivery of Form 411 by mail.**—If Form 411 cannot be delivered in person to the operator or producer for whom prepared after a reasonable effort to effect the delivery in that manner, the white marketing card may be mailed to him if he executes a request therefor on Form 410-B. A copy of Form 410-B may be mailed, together with instructions for its use, to the operator or producer to whom the white marketing card cannot be delivered in person. Form 410-B should be executed by the county office by filling in the information required by the blank spaces (except for the signature and address of the producer or operator) before it is mailed to the operator or producer. Upon the return of this request to the county office, the county committee shall forward Form 411 by mail to the operator or producer, accompanied by a brief letter informing the producer that the marketing card is to be used by him in identifying his cotton at the time it is marketed by sale, barter, or exchange, and cautioning him to sign his name immediately in the space indicated and enter the date thereof in order to prevent the improper use of the card, since he will be held strictly accountable for its proper use. The request shall be attached to the proper Form 410-A and a reference thereto made in column J opposite the producer's name. If a white marketing card cannot be delivered directly to the producer, or through the mails by the use of Form 410-B, the marketing card should be forwarded to the producer by registered mail, return receipt requested, and the return receipt attached to Form 410-A in lieu of Form 410-B. No receipt forms will be printed but any receipt used under this paragraph shall be in the following form:

COTTON 410-B

## U. S. DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Page No. , line , of

Form 410-A

(State and county code and farm serial number)

## REQUEST FOR MARKETING CARD

I request from \_\_\_\_\_, Treasurer, \_\_\_\_\_  
 County Committee, Form Cotton \_\_\_\_\_ serially numbered \_\_\_\_\_  
 Date \_\_\_\_\_

(Signature of producer)

(Mail address of producer)

## Sec. 220. Issuing Form 411-A

Form 411-A shall, upon request of the producer, be issued by the county committee to any producer to whom Form 411 was issued who desires to market cotton by telephone, telegraph, letter, or by any means or method other than directly to and in the presence of the buyer or transferee.<sup>78</sup> A record of the issuance of Form 411-A shall be kept on Form 410-A prepared as follows:

1. In the title in the blank space preceding the words "Marketing Cards," enter the legend "Form 411-A."
2. In column A enter the serial number of the farm.
3. In column B enter the name of the operator or producer.
4. In columns E and F enter the first and last serial number, respectively, in the book of Forms 411-A issued to the producer.
5. In column G enter the serial number of Form 411 issued to the operator or producer.
6. In the space indicated on each Form 411-A in the book, the treasurer of the county committee shall enter in indelible pencil, except for the stamping of his address on the reverse side of the postal card copy of each Form 411-A-b, (i) the names of the State and county and the State and county code number; (ii) the serial number of the farm with respect to which Form 411-A is issued; (iii) the marketing card serial number of the Form 411 issued to the producer; (iv) the marketing year, that is, "1940-1941"; (v) the name and full mail address of the operator or producer to whom Form 411-A is issued; and (vi) on the address side of each Form 411-A-b, stamp the full mail address of the treasurer of the county committee beneath the words "Treasurer of the County Agricultural Conservation Committee."
7. The county committee shall examine Form 410-A and each Form 411-A and, if found to be correct, its approval thereof shall

<sup>78</sup> Secs. 501 (c), 602 (b), 802 (d), and 805 (b) of the regulations.

be indicated by a member thereof signing his name on each Form 411-A in the space indicated and entering the date on which it was issued (being the date of such approval).

8. The producer shall receipt for Form 411-A by signing his name in column J of Form 410-A and by entering the date of his signature in column I.

### Sec. 221. Lost, Destroyed, or Stolen White Marketing Cards

In case any Form 411 or 411-A is lost, destroyed, or stolen, the county committee may reissue such forms to the producer in accordance with section 506 of the regulations. A copy of the notices of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft of such forms shall be filed in the folder for the farm. In case a lost, destroyed, or stolen Form 411 or 411-A is to be replaced, the county committee shall issue Form 411 or 411-A in accordance with the procedure contained in section 219 of these instructions, except that:

1. The word "Duplicate" shall be stamped across the face of the newly issued Form 411 or 411-A.

2. The legend "Lost," "Destroyed," or "Stolen" shall be entered in column K of Form 410-A opposite the entry showing the issuance of the duplicate Form 411 or 411-A.

3. The legend "Canceled—Lost," or "Canceled—Destroyed," or "Canceled—Stolen" shall be entered in column K of Form 410-A opposite the serial number of the lost, destroyed, or stolen Form 411 or 411-A.

### Sec. 222. Cancelation of White Marketing Cards Issued in Error

In case any Form 411 or 411-A is erroneously issued, the county committee shall cancel it in accordance with section 507 of the regulations. A copy of the notices of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancelation shall be filed in the folder for the farm. The legend "Canceled" shall be entered in column K of Form 410-A opposite the serial number of the canceled Form 411 or 411-A. The legend "Canceled" shall be entered across the Form 411 or 411-A that is canceled.

### Sec. 223. Records to Be Kept and Reports to Be Submitted by Producers on Farms for Which White Marketing Cards Are Issued

(a) **Initial preparation of Forms 422.**—At the time white marketing cards are prepared for issuance pursuant to section 501 (a) of the regulations, Form 422 shall be prepared as follows by the county office for each farm to which white marketing cards will be so issued:

1. In the spaces provided enter the name of the county, the name of the State, the farm serial number, and the marketing year which shall be designated by the symbol "1940-1941".

2. In the space provided enter the name of the operator of the farm as it appears in column B of Form 410-A.

3. In the space provided for the description or location of the farm, enter any information which will enable the farm operator to determine the farm for which Form 422 is to be executed by him.

(b) **Distribution of Forms 422.**—Form 422 prepared as outlined in paragraph (a) shall be delivered to the operator of the farm at the time the white marketing card is delivered to him. The use of the form should be explained to the producer. In this connection, it would appear that the execution of the form would be accomplished with the least difficulty if each bale or lot of seed cotton is recorded at the time it is ginned or marketed. When it is indicated that all cotton produced in 1940 on the farm is ginned or harvested and the operator of the farm has not returned Form 422 properly executed within fifteen days thereafter, another Form 422 shall be prepared as outlined in paragraph (a) and mailed to the operator with a request that he execute it and return it promptly to the county office.

(c) **Comparison of Forms 422 with Forms 451.**—The information contained in Forms 422 shall be compared with the information submitted to the county office in the ginner's reports and recorded on Forms 451. If the county office records of cotton produced are not in agreement with the farm operator's report, the operator shall be requested to reconcile the difference and, if the reports from the ginner or buyer or transferee are incorrect or incomplete, the ginner or buyer or transferee shall be requested to make a supplemental report covering the incorrect or incomplete items.

#### F. RECORDS AND REPORTS FOR OVERPLANTED FARMS AND FARMS IN CONNECTION WITH WHICH PRODUCERS HAVE CARRY-OVER PENALTY COTTON AND FARMS FOR WHICH RED MARKETING CARDS WILL BE ISSUED

##### Sec. 224. Conditions Under Which Farm Accounts on Forms 450 and 450-A Will Be Prepared

It shall be necessary to prepare either Form 450 or Form 450-A for each farm with respect to which any one or more of the exceptions referred to in section 219 (a) of these instructions are or become applicable, except that an account will not be prepared for an underplanted farm in connection with which no producer has carry-over penalty cotton where exceptions 5 and 7 of section 219 (a) are applicable unless and until a red marketing card for the farm is issued to the multiple farm producer. An account shall also be prepared for each farm for which a cotton acreage allotment was established but on which no cotton is planted in 1940 if cotton from a previous crop will be marketed in connection therewith and also for each person who has cotton on hand from a previous crop but who is not located in 1940 on a farm for which a cotton acreage allotment was established. The account on Form 450 shall be used for farms on which there are two or more producer units. The account on Form 450-A shall be used only for farms on which there is **one producer unit**.

##### Sec. 225. Preparation and Execution of Form 450

(a) **Initial preparation of Form 450.**—Form 450 shall be prepared in the original only and placed in a binder in the numerical order of the farm serial numbers for which it is prepared. Form 450 shall be executed as follows:

1. In the spaces indicated enter the farm serial number, preceded by the State and county code number, the sheet number and total number of sheets, and the marketing year, that is, "1940-1941." If any producer has an interest in other farms, enter the word "Multiple" above the title of Form 450 and list in the spaces provided the name of each such producer and the serial numbers of the other farms in which he is interested. In case a bond of indemnity on Form 423 or funds to be held in escrow to secure payment of the penalty are accepted for the farm or white marketing cards are issued pursuant to section 903 of the regulations, enter the words "Bond" or "Escrow" or "1,000 pounds," respectively, as the case may be.

2. In column 1 enter the names of all cotton producers on the farm. The names of the operator and landlord respectively shall be entered after the names of the other producers have been listed. In column 35 enter the names of all cotton producers on the farm, including the names of the operator and landlord, in the order in which they have been listed in column 1. If there are persons on the farm in 1940 who have cotton on hand from a previous crop but who are not interested in the cotton crop produced in 1940 on the farm or in the proceeds thereof, enter the names of such persons in columns 1 and 35 after the names of all producers, including the operator and landlord, have been listed.

3. In the heading of column 2 following the words "Acreage Allotment" enter the cotton acreage allotment established for the farm for 1940. If a farm acreage allotment for a new farm was not established, enter the word "None."

4. In column 2 opposite each producer's name enter his share in the acreage (expressed to the nearest tenth of an acre) planted to cotton in 1940 on the farm, as shown on the report of measurements, and, on line 11, column 2, enter the total acreage planted to cotton in 1940 on the farm.

5. In the heading of column 3 following the words "Normal Yield" enter the normal yield per acre of lint cotton established for the farm for 1940.

(b) **Initial apportionment of producer marketing quotas.**—Producer marketing quotas shall first be determined by executing Form 450 as follows:

1. On line 11, column 3, enter the normal production of the farm acreage allotment determined by multiplying the farm acreage allotment by the normal yield per acre of lint cotton.

2. Divide the entry on line 11, column 3 by the entry on line 11, column 2 and enter the quotient, carried to four decimal places, in the heading of column 3 following the words "Initial marketing quota". Multiply this quotient by the entries in column 2 opposite each producer's name and enter the result for each producer in column 3. The sum of the entries in column 3 must equal the amount entered on line 11, column 3.

3. If the county committee determines that the figures in column 3 are not a fair and reasonable basis for establishing initial producer marketing quotas because of variations in productivity, the acreage planted to cotton by each producer, crop failure, or any other cause, and redetermines the amount of the producer marketing quotas as

originally shown in column 3, the entries in column 3 shall be circled and the corrected producer marketing quotas entered above the circled figures. A memorandum showing the reason for the change and the factors considered in making the change must be filed in the farm folder.

(c) **Record of cotton on hand from a previous crop.**—There are two kinds of carry-over cotton; namely, carry-over penalty free cotton and carry-over penalty cotton. Carry-over penalty cotton is further divided into two classifications; namely, the amount thereof which, if marketed during the 1939-1940 marketing year would have been subject to a penalty of two cents per pound (herein referred to as two-cent carry-over penalty cotton), and the amount thereof which, if marketed during the 1939-1940 marketing year, would have been subject to the penalty of three cents per pound (herein referred to as three-cent carry-over penalty cotton). The year in which the carry-over cotton was produced is not determinative of its status as penalty or penalty free cotton. Its characteristics in this respect depend upon the following factors. An amount of cotton which the producer has on hand at the beginning of the 1940-1941 marketing year which is equal to or not in excess of the amount by which his producer marketing quota for the 1939-1940 marketing year exceeded the amount of cotton actually marketed by him in that marketing year is carry-over penalty free cotton. Any cotton which the producer has on hand at the beginning of the 1940-1941 marketing year which is in excess of the carry-over penalty free cotton is carry-over penalty cotton. The amount of the carry-over penalty cotton which is subject to the penalty of two cents per pound is that amount of carry-over penalty cotton which the producer had on hand at the beginning of the 1939-1940 marketing year which, in addition to the cotton produced in that marketing year, could not be marketed within the amount of his producer marketing quota for that marketing year and further which was not marketed in that marketing year subject to the penalty of two cents per pound. Any remainder of the carry-over penalty cotton is subject to the penalty of three cents per pound. In determining the amounts of carry-over penalty and penalty free cotton, two additional rules must be observed: (1) Only the producer marketing quota for the 1939-1940 marketing year for the farm in connection with which the cotton was to be marketed can be considered; and (2) if a portion of the cotton is pledged to secure a Commodity Credit Corporation loan, the determination should not, insofar as possible, increase the rate of the penalty on the loan cotton and should, insofar as possible, leave the cotton under the loan as carry-over penalty free cotton. **In each case a representative of the county office shall determine the amount of such cotton by actual inspection or by examination of warehouse receipts or loan agreements and shall make a memorandum in connection therewith showing the time of the inspection or examination, the place at which the cotton is stored, and identification of each bale, such as the gin bale number or mark, the weight of each bale, and the method employed in arriving at the weight of the cotton. The memorandum shall be filed in the folder for 1940 for the farm. If an inspection of the cotton was made in connection with the 1939-1940 marketing year and a memorandum thereof is on file in the county office, an additional inspection is not required. The weight of each bale of**

such cotton shall be taken from the ginner's report on Form 216 or 316 or from warehouse receipts or loan agreements and the amount of line in seed cotton shall be estimated. **The weight of the bales as so determined shall not thereafter be changed or altered because of subsequent developments tending to show a different weight.** In case a producer is engaged in 1940 in cotton production on only one farm, the carry-over cotton shall be marketed in connection with that farm. In case a producer is engaged in 1940 in the production of cotton on more than one farm in a county and the producer has carry-over cotton, he shall designate in writing one or more of such farms in connection with which the carry-over cotton is to be marketed and thereafter the designation of the farm for this purpose shall be final and not subject to change. In the event the producer fails or refuses to designate the farm or farms in connection with which the carry-over cotton will be marketed, the county committee shall designate the farm or farms for this purpose and the designation so made shall be final and conclusive unless, within fifteen days after the mailing of the notice of the designation to the producer, the producer designates in writing a different farm or farms in connection with which the carry-over cotton will be marketed. The designation, or notice of the designation, shall be filed in the folder for the farm. The amount of carry-over cotton for the farm shall be recorded on Form 450 as follows:

1. In column 4 opposite each producer's name enter the amount of his carry-over penalty free cotton which is **not** pledged as security for a Commodity Credit Corporation loan, and, on line 11, column 4, enter the total amount thereof for all producers on the farm. If the producer was located in 1939 on a farm for which a farm account was established on Form 317 the amount of such cotton may be taken from column (89) of Form 317 or column (22) of Form 361.

2. In column 5 opposite each producer's name enter the amount of his two-cent carry-over penalty cotton which is **not** pledged as security for a Commodity Credit Corporation loan and, on line 11, column 5, enter the total amount thereof for all producers. If the producer was located in 1939 on a farm for which a farm account was established on Form 317, the amount of such cotton may be taken from column (87) of Form 317 or column (23) of Form 361.

3. In column 6 opposite each producer's name enter the amount of his three-cent carry-over penalty cotton which is **not** pledged as security for a Commodity Credit Corporation loan, and on line 11, column 6, enter the total amount thereof for all producers. If the producer was located in 1939 on a farm for which a farm account was established on Form 317, the amount of such cotton may be taken from column (88) of Form 317 or column (24) of Form 361.

4. In column 7 opposite each producer's name enter the amount of his carry-over penalty free cotton which is pledged as security for a Commodity Credit Corporation loan and, on line 11, column 7, enter the total amount thereof for all producers on the farm. If the producer was located in 1939 on a farm for which a farm account was established on Form 317, the amount of such cotton may be taken from column (86) of Form 317 or column (25) of Form 361.

5. In column 8 opposite each producer's name enter the amount of his two-cent carry-over penalty cotton which is pledged as security for

a Commodity Credit Corporation loan and on line 11, column 8, enter the total amount thereof for all producers. If the producer was located in 1939 on a farm for which a farm account was established on Form 317, the amount of such cotton may be taken from column (84) of Form 317 or column (26) of Form 361.

6. In column 9 opposite each producer's name enter the amount of his three-cent carry-over penalty cotton which is pledged as security for a Commodity Credit Corporation loan, and on line 11, column 9, enter the total amount thereof for all producers. If the producer was located in 1939 on a farm for which a farm account was established on Form 317, the amount of such cotton may be taken from column (85) of Form 317 or column (27) of Form 361.

7. If any cotton pledged as security for a Commodity Credit Corporation loan is withdrawn from the loan, the amount previously entered in column 7 or column 8 or column 9 shall be circled, and the balance of the cotton which was not withdrawn shall be entered above the circled figure. The appropriate entry, if any, in column 4 or column 5 or column 6 shall be circled, and a figure representing the original entry, plus the amount withdrawn from the loan shall be entered above the circled figure.

(d) **Intermediate reapportionments of producer marketing quotas.**—If the farm marketing quota is increased as provided in section 301 (c) of the regulations, an intermediate reapportionment of producer marketing quotas shall be made as provided in section 304 (c) of the regulations. No intermediate reapportionment will be made unless the share in the production of one or more producers on the farm exceeds the amount of his initial producer marketing quota. In making intermediate reapportionments of producer marketing quotas, columns 10 through 16 of Form 450 shall be executed as follows:

1. In column 10 opposite each producer's name enter his share in the cotton produced in 1940 as shown on Forms 354 at the time the intermediate reapportionment is made, and on line 11, column 10, enter the total thereof for all producers. If gin reports for all cotton produced in 1940 on the farm are not on file in the county office at the time the reapportionment is made and the producers on the farm file with the county office gin tickets or receipts for the amount of cotton not covered by the gin reports, the county committee may, if it finds the gin tickets or receipts are authentic and reliable proof of the production, include the amount of cotton shown on the gin tickets or receipts as a part of the production on the farm for the purpose of making the intermediate reapportionment. Such gin tickets or receipts shall be kept in the county office in the folder for the farm.

2. Divide the total production as shown on line 11, column 10, by the acreage planted to cotton as shown on line 11, column 2, and enter the actual yield per acre in the space provided in the heading of column 10. Express the yield to the nearest tenth of a pound.

3. In the heading of column 11 enter the amount of the farm marketing quota determined by multiplying the acreage allotment in the heading of column 2 by the actual yield per acre in the heading of column 10.

4. In column 11 opposite each producer's name enter the amount by which his share in the actual production as shown in column 10

exceeds the amount of his initial producer marketing quota as shown in column 3. Make no entry in column 11 for any producer for whom the entry in column 3 exceeds the entry in column 10. On line 11, column 11, enter the sum of the entries therein.

5. In the heading of column 12, beneath the words "Increase in quota", enter the amount by which the increased farm marketing quota as shown in the heading of column 11 exceeds the initial farm marketing quota as shown on line 11, column 3.

6. If the entry on line 11, column 11, is equal to or less than the entry in the heading of column 12 beneath the words "Increase in quota", enter in the heading of column 12 beneath the words "Share in increase" the symbol "100%". If the entry on line 11, column 11, is in excess of the entry in the heading of column 12, enter in the heading of column 12 beneath the words "Share in increase" the quotient (carried to four decimal places) obtained by dividing the entry in the heading of column 12 by the entry on line 11, column 11.

7. If the symbol "100%" appears in the heading of column 12 beneath the words "Share in increase", the entry in column 11 opposite each producer's name shall be transcribed in column 12. If a lower percentage factor was entered in the heading of column 12, enter in column 12 opposite each producer's name the result obtained by multiplying the entry opposite his name in column 11 by the percentage factor in the heading of column 12. The amount so entered is the amount by which the producer marketing quota of each such producer is increased. On line 11, column 12, enter the sum of the entries in column 12.

8. If a second reapportionment of the producer marketing quotas is made, the procedure outlined in items 1 through 7 above shall be followed with the following exceptions:

a. Columns 13, 14, and 15, respectively, shall be used in lieu of columns 10, 11, and 12.

b. The amount by which the producer marketing quota of each producer is increased shall be determined by executing column 16 as follows:

(i) In column 16 opposite each producer's name enter the amount by which the entry in column 15 exceeds the entry in column 12. Make no entry in column 16 for any producer unless the entry for him in column 12 is less than the entry in column 15.

(ii) On line 11, column 16, enter the sum of the entries in column 16. The amount so entered must equal the amount by which the entry on line 11, column 15, exceeds the entry on line 11, column 12.

9. If the county committee determines that the apportionment of the farm marketing quota among the producers on the farm as shown by the increase in column 12 or column 16 is not fair and reasonable and adjusts the amounts thereof as provided in section 304 (e) of the regulations, the amounts previously entered in column 12 or 16 shall be circled and the revised amounts for each producer entered above the circled figures. A memorandum showing the reason for the change and the facts considered by the county committee in making the change must be filed in the farm folder.

(e) **Final reapportionment of producer marketing quotas.**—When the farm marketing quota is finally determined as provided in section 301 (c) of the regulations, the producer marketing quotas shall be reapportioned as provided in section 304 (d). In making

a final reapportionment of producer marketing quotas, columns 17 through 28 of Form 450 shall be executed as follows:

1. In column 17 opposite each producer's name enter his share in the cotton produced in 1940 on the farm as shown on Forms 354. On line 11, column 17, enter the total production in 1940 on the farm. The sum of the entries in column 17 must agree with the amount on line 11 thereof.

2. Divide the total production as shown on line 11, column 17, by the acreage planted to cotton as shown on line 11, column 2, and enter the resulting actual yield per acre in the heading of column 17. Express the yield per acre to the nearest tenth of a pound.

3. In column 18 beneath the word "Quota" enter the greater of the following: (i) the result obtained by multiplying the actual average yield per acre of the acreage planted to cotton as shown in the heading of column 17 by the cotton acreage allotment as shown in the heading of column 2; or (ii) the result obtained by multiplying the normal yield as shown in the heading of column 3 by the cotton acreage allotment.

4. In column 18 opposite each producer's name enter the amount, if any, by which the entry in column 3 exceeds the sum of the entries in columns 5, 6, 8, 9, and 17 opposite his name. On line 11, column 18, enter the sum of the entries therein.

5. In column 19 opposite each producer's name enter the amount by which his share in the actual production as shown in column 17 exceeds the amount of his initial producer marketing quota as shown in column 3. Make no entry in column 19 for any producer for whom an entry appears in column 18. On line 11, column 19, enter the sum of the entries in column 19.

6. In the heading of column 19, beneath the words "Increase in quota" enter the amount by which the final farm marketing quota as shown in the heading of column 18 exceeds the initial farm marketing quota as shown on line 11, column 3, or, if the entry in the heading of column 18 is equal to the entry on line 11, column 3, enter a zero.

7. In the heading of column 20, beneath the words "Total increase," enter the result obtained as follows: the amount on line 11, column 18, plus the amount in the heading of column 19.

8. If no entry is made in the heading of column 20, make no entries in columns 20 through 26 and enter in column 27 for each producer the sum of the entries for him in columns 3, 4, 12, and 16. On line 11, column 27, enter the sum of the entries in column 27.

9. In column 20 enter the following:

a. If the amount on line 11, column 19, exceeds the amount in the heading of column 20 after the words "Total Increase", enter in the heading of column 20 after the words "Share in increase" the quotient (carried to four decimal places) obtained by dividing the entry in the heading of column 20 after the words "Total Increase" by the entry on line 11, column 19. In column 20, opposite each producer's name, enter the result obtained by multiplying the entry for him in column 19 by the quotient in the heading of column 20. On line 11, column 20, enter the sum of the amounts in column 20 which must equal the amount in the heading of column 20 after the words "Total Increase".

b. If the amount in the heading of column 20 after the words "Total Increase" exceeds the amount on line 11, column 19, enter "100%" in the heading of column 20 after the words "Share in increase" and transcribe in column 20 the entries in column 19.

10. In column 21 enter the following:

a. If an entry appears in column 18 for a producer, enter for him in column 21 the amount by which the entry in column 3 exceeds the entry in column 18 (column 3 minus column 18).

b. If no entry appears in column 18 for a producer, enter for him in column 21 the sum of the entries in columns 3 and 20 (column 3 plus column 20).

c. On line 11, column 21, enter the sum of the amounts entered in column 21 pursuant to items a. and b. above.

11. If the entry on line 11, column 21, is equal to the amount of the farm marketing quota as shown in the heading of column 18 after the word "Quota", make no entries in columns 22 through 25 and execute columns 26 and 27 as follows:

a. If no intermediate reapportionment of producer marketing quotas was made, enter in column 26 for each producer the amount, if any, by which the entry in column 21 exceeds the entry in column 3. On line 11, column 26, enter the sum of the amounts in column 26 which must equal the amount in the heading of column 20 after the words "Total Increase".

b. If intermediate reapportionments of producer marketing quotas were made, enter in column 26 for each producer the amount, if any, by which the entry in column 21 exceeds the sum of the entries in columns 3, 12, and 16. On line 11, column 26, enter the sum of the amounts in column 26 which must equal the amount by which the entry in the heading of column 20 after the words "Total Increase" exceeds the sum of the entries on line 11 of columns 12 and 16.

c. In column 27 enter the sum of the amounts in columns 4 and 21.

12. If the amount of the farm marketing quota as shown in the heading of column 18 after the word "Quota" exceeds the entry on line 11, column 21, and the sum of the entries in columns 5, 6, 8, 9, and 17 for any producer exceeds the entry for him in column 21, columns 22 through 27 shall be executed as follows:

a. In column 22, opposite each producer's name, enter the amount, if any, by which the sum of the entries for him in columns 5, 6, 8, 9, and 17 exceeds the entry for him in column 21. On line 11, column 22, enter the sum of the amounts in column 22.

b. In column 23, for each producer for whom an entry appears in column 22, enter the amount of his share in the cotton produced in 1940 on the farm as shown in column 17. On line 11, column 23, enter the sum of the amounts in column 23.

c. In the heading of column 24 after the word "Increase" enter the amount by which the farm marketing quota as shown in the heading of column 18 after the word "Quota" exceeds the entry on line 11, column 21.

d. In column 24 enter the following:

(i) If the amount in the heading of column 24 after the word "Increase" exceeds the amount on line 11, column 22, enter in column 24 the amounts in column 22.

(ii) If the amount on line 11, column 22, exceeds the amount in the heading of column 24 after the word "Increase," enter in the heading of column 24 after the words "Share in increase" the quotient (carried to four decimal places) obtained by dividing the entry in the heading of column 24 after the word "Increase" by the amount on line 11, column 23. In column 24 for each producer enter either the amount for him in column 22, or the result obtained by multiplying the entry for him in column 23 by the quotient in the heading of column 24, whichever is the smaller. On line 11, column 24, enter the sum of the amounts in column 24.

e. If the amount in the heading of column 24 after the word "Increase" exceeds the amount on line 11, column 24, and the entry in column 24 for any producer is less than the entry for him in column 22, execute column 25 as follows:

(i) In the heading of column 25 after the word "Increase" enter the amount by which the entry in the heading of column 24 after the word "Increase" exceeds the entry on line 11, column 24.

(ii) Determine through calculations not shown on Form 450 the amount, if any, by which the entry in column 22 for each producer exceeds the entry for him in column 24.

(iii) If the entry in the heading of column 25 after the word "Increase" exceeds the sum of the amounts determined under (ii) above, enter in column 25 for each producer the amount by which the entry in column 22 for him exceeds the entry in column 24.

(iv) Divide the entry in the heading of column 25 by the sum of the entries in column 23 for those producers for whom the entries in column 24 are less than the entries in column 22 and enter the quotient in the heading of column 25 after the words "Share in increase".

(v) Enter in column 25 for each producer for whom the entry in column 24 is less than the entry in column 22 the amount determined in (ii) above or the result obtained by multiplying the entry in column 23 for the producer by the quotient in the heading of column 25, whichever is the smaller. On line 11 of column 25 enter the sum of the entries in column 25.

(vi) If the amount in the heading of column 25 after the word "Increase" exceeds the amount on line 11, column 25, and the sum of the entries in columns 25 and 24 for any producer is less than the entry for him in column 22, the excess shall be apportioned among such producers on the basis of their shares in the production on the farm provided that such apportionment shall not operate to give any producer a producer marketing quota larger than his share in the production plus carryover penalty cotton. The apportionment shall be made on a separate sheet of paper to be designated as column 25-A and attached on the form 450.

f. In column 26 enter the following:

(i) If no intermediate reapportionment of producer marketing quotas was made, enter in column 26 for each producer the amount, if any, by which the sum of the amounts in columns 21, 24, and 25 exceeds the amount in column 3 for him.

(ii) If intermediate reapportionments of producer marketing quotas were made, enter in column 26 for each producer the amount, if any, by which the sum of the entries in columns 21, 24, and 25 exceeds the sum of the entries in columns 3, 12, and 16 for him.

(iii) On line 11, column 26, enter the sum of the amounts in column 26.

g. In column 27 enter the sum of the entries in columns 4, 21, 24, and 25.

13. If the amount of the farm marketing quota as shown in the heading of column 18 after the word "Quota" exceeds the entry on line 11, column 21, and the sum of the entries in columns 5, 6, 8, 9, and 17 for no producer exceeds the entry for him in column 21, columns 22 through 25 shall not be executed and the entries in columns 26 and 27 shall be made as follows:

a. If no intermediate reapportionment of producer marketing quotas was made, enter in column 26 for each producer the amount, if any, by which the entry in column 21 exceeds the entry in column 3.

b. If intermediate reapportionments of producer marketing quotas were made, enter in column 26 for each producer the amount, if any, by which the entry in column 21 exceeds the sum of the entries in columns 3, 12, and 16.

c. On line 11, column 26, enter the sum of the amounts in column 26.

d. In column 27 enter the sum of the amounts in columns 4 and 21.

14. If the sum of the amounts on line 11 of columns 21, 24, and 25 is less than the amount of the farm marketing quota as shown in the heading of column 18 after the word "Quota," the amount by which the farm marketing quota as shown in the heading of column 18 exceeds the sum of the entries on line 11 of columns 21, 24, and 25 shall be divided among the persons on the farm who are not engaged in 1940 in the production of cotton but who have carry-over penalty cotton designated to be marketed in connection with the farm. Each such person shall be entitled to a share in such excess in the proportion that the amount of his carry-over penalty cotton bears to the total

amount of carry-over penalty cotton of all such persons, but not to exceed the amount of his carry-over penalty cotton. The amount so determined for each such person shall be entered in column 26 opposite his name and the total of column 26 shall be increased by the sum of the amounts so entered. In column 27 for each such person enter the sum of the amounts for him in columns 4 and 26 and increase the total of column 27 by the sum of the amounts so entered.

15. If any carry-over penalty free cotton pledged to secure a Commodity Credit Corporation loan is withdrawn from the loan subsequent to the time the final producer marketing quotas are entered in column 27, the amount of the producer marketing quota in column 27 for the producer who redeems the cotton shall be increased by the amount of such cotton withdrawn from the loan.

16. If the county committee determines that the figures in column 27 are not fair and reasonable shares in the actual or normal production of the farm acreage allotment, whichever is the greater, because of variations in productivity, acreage planted to cotton by each producer, crop failure, or any other cause, and, as provided in section 304 (e) of the regulations, redetermines the shares as originally shown in column 27, the redetermined producer marketing quotas shall be entered in column 28. That part of a producer marketing quota which is attributable to the carry-over penalty free cotton shall not be adjusted, reduced, or increased under this item. A memorandum showing the reasons for the change and the facts considered by the county committee in making the change must be filed in the folder for the farm.

(f) **Record of cotton marketed and penalties remitted.**—The record of cotton marketed and penalties remitted to the treasurer of the county committee shall be made on Form 450 as follows:<sup>78</sup>

1. On line (a) in column 36 opposite each producer's name enter the printed serial number of the first Form 413 in the book of Forms 413 accompanying the red marketing card issued to the producer. The designation "CR" in the printed serial number may be disregarded for this purpose. On line (b) in column 36 enter the serial number, preceded by the letter "B", instead of the designation "CB" which appears in the printed serial number of the first Form 415 in the book of Forms 415 accompanying any blue marketing card issued to the producer.

2. On line (a) in the columns headed "Reference No.", of columns 37 through 55, enter the printed serial number of Form 413-b or 415-b for each producer whose name appears in item 9 thereof (or in the continuation of item 9 on an attached list). For the purpose of entering the serial numbers of Forms 413-b and 415-b, since the marketing cards for a farm will be issued in consecutive serial number order, only the last three numbers of either Form 413-b or 415-b need be entered. The serial number of any Form 415-b shall be preceded by the letter "B". The reference to the firm Form 413-b or 415-b covering the marketing of cotton by or for a producer shall be entered on line (a) in column 37 and the references to subsequent Forms 413-b and 415-b shall be entered in consecutive order on line

<sup>78</sup> In this connection also see Secs. 232 and 233 of these instructions.

(a) in the columns headed "Reference No." of columns 39 through 55.

3. On line (b) in the columns headed "Reference No." of columns 37 through 55 enter the printed serial number of Form 419<sup>79</sup> or Form 419-A<sup>80</sup> (in entering the serial number of Form 419-A, the entry shall be preceded by the letter "A") issued to the remitter of the penalty incurred with respect to the transaction covered by a particular Form 413-b or 415-b. The printed serial number of Form 419 or Form 419-A shall be entered on lines (b) of the column headed "Reference No." in which the printed serial number of the related Form 413-b or 415-b was entered. If no penalty was incurred or remitted with respect to the transaction covered by a particular Form 413-b or 415-b, no entry shall be made on line (b) of the column headed "Reference No." in which the serial number thereof is recorded. If Form 413-b indicates that a penalty was incurred, that is, an entry appears in item 5 thereof, or if Form 415-b is received, and the amount of the penalty has not been remitted, no entry shall be made on line (b) of the column headed "Reference No." in which the printed serial number thereof is recorded and the serial number of Form 413-b or 415-b on line (a) thereof shall be circled in red.<sup>81</sup> If the penalty is subsequently remitted, the printed serial number of the Form 419 shall be entered on line (b) in the manner outlined above. If only a portion of the penalty shown by Form 413-b or 415-b to have been incurred was remitted,<sup>82</sup> the printed serial number of Form 419 shall be entered on line (b) of the column headed "Reference No." in which the serial number of the related Form 413-b or 415-b is recorded.

4. On line (a) in the columns headed "Amount" of columns 38 through 56, enter for each producer the number of pounds shown opposite his name in item 9 (or in the continuation thereof on an attached list) of Form 413-b or 415-b. The number of pounds shown on the first Form 413-b or 415-b covering the marketing of cotton by or for a producer shall be entered on line (a) of column 38, and the number of pounds covered by subsequent Forms 413-b or 415-b shall be entered in consecutive order on line (a) in the columns headed "Amount" or columns 40 through 56.<sup>83</sup>

5. On line (b) in columns headed "Amount" of columns 38 through 56 opposite the name of each producer having an interest in the cotton marketed, enter the amount remitted as the penalty for a transaction covered by a particular Form 413-b or 415-b. In the case of Form 413-b where only one producer had an interest in the cotton marketed, the amount of the penalty shall be taken from item 6 of Form 413-b. In the case of Form 413-b where more than one producer had an interest in the cotton marketed and all of it was marketed subject to penalty, the amount of the penalty to be entered for each producer shall be determined by multiplying by 3 cents the entry shown opposite his name in item 9 (or a continuation thereof on an attached list) of Form 413-b. In the case of Form 413-b

<sup>79</sup> Sec. 233 (b) of these instructions.

<sup>80</sup> Sec. 233 (g) of these instructions.

<sup>81</sup> Sec. 233 (i) of these instructions.

<sup>82</sup> Sec. 233 (c) of these instructions.

<sup>83</sup> Item 5 of Sec. 232 (a) and item 7 of Sec. 232 (c) of these instructions.

where more than one producer had an interest in the cotton marketed and only a portion of it was marketed subject to penalty, the amount of the penalty for each producer shall be taken from the related Form 355.<sup>84</sup> In the case of Form 415-b where only one producer had an interest in the cotton marketed, the amount of the penalty shall be the sum of the entries in items 6 a and 6 b of Form 415-b. In the case of Form 415-b where a penalty of either 2 cents per pound, or 3 cents per pound, was incurred and more than one producer had an interest in the cotton marketed, the amount of the penalty for each producer shall be determined by multiplying by 2 cents or 3 cents, as the case may be, the entry shown opposite his name in item 9 (or a continuation thereof on an attached list) of Form 415-b. In the case of Form 415-b where more than one producer had an interest in the cotton marketed and a portion of it was marked subject to the penalty of 2 cents and a portion subject to the penalty of 3 cents, the amount of the penalty for each producer shall be taken from the related Form 355.<sup>85</sup> The amount collected as the penalty shall be entered on lines (b) of the column headed "Amount" in which the cotton covered by the related Form 413-b or 415-b was entered. If no penalty was incurred with respect to the transaction covered by a particular Form 413-b, no entry shall be made on line (b) of the column headed "Amount" in which the cotton covered by the Form 413-b is recorded. If Form 413-b indicates that a penalty was incurred; that is, an entry appears in item 5 thereof, or if Form 415-b is received, and the amount of the penalty was not remitted, no entry shall be made on line (b) of the column headed "Amount" in which the cotton covered by Form 413-b or 415-b is recorded until the penalty is remitted.<sup>86</sup>

6. If the buyer makes the report required pursuant to section 802 (c) of the regulations in connection with any cotton not identified by a marketing card or certificate, the amount of cotton so marketed shall be recorded as provided in items 2 through 5 above with the exception that, in lieu of the printed serial number of Form 413-b or 415-b, enter the symbol "N-I". If the penalty in connection therewith was not remitted as provided in section 601 of the regulations, the symbol "N-I" shall be circled in *red* to indicate that the penalty was not remitted.

7. At the close of each month, after Forms 413-b and 415-b received during the month are recorded as outlined in items 2 through 6 above, the total amount of cotton marketed from the farm as shown on line (a) in the columns headed "Amount" of columns 38 through 56 shall be computed and the total amount of the penalties remitted in connection therewith as shown on line (b) in the columns headed "Amount" of columns 38 through 56 shall be computed. The totals for the farm through the first month shall be recorded on lines 11 (a) and 11 (b), respectively, of column 38; the **cumulative** totals through the second month shall be recorded on line 11 (a) and line 11 (b), respectively, of column 40; and the **cumulative** totals for subsequent months shall be entered thereafter in consecutive order in the succeeding columns headed "Amount" of columns 42 through 56. On line 11 (b) of the column headed "Reference No." immediately preceding

<sup>84</sup> Sec. 232 (b) of these instructions.

<sup>85</sup> Sec. 232 (d) of these instructions.

<sup>86</sup> Paragraphs (c) and (i) of Sec. 233 of these instructions.

each column headed "Amount" in which the cumulative totals appear, there shall be entered the month through which the cumulative totals were computed.

8. After all of the cotton grown by or for any producer in 1940 on the farm plus the amount of any carry-over cotton which he had on hand is marketed as shown by reports from the buyers, transferees, and producer, the sum of the entries on lines (a) and (b) of columns 38 through 56 shall be entered in column 57. After all of the cotton grown by or for all producers in 1940 on the farm plus the amount of any carry-over cotton which they had on hand is marketed, the sum of the entries in column 57 shall be entered on lines 11 (a) and 11 (b) of column 57.

9. If the amounts in column 57 are correct as verified by the farm operator's report on Form 417,<sup>87</sup> the amounts shown in column 57 for producers who have completed the marketing of all of their cotton shall be transferred to column 58. If any of the entries for any of the producers are not correct the records of the farm operator and the county committee shall be reconciled and the farm operator and the county committee shall make any corrections necessary and enter the correct amounts for each producer and for the farm in column 58. If a buyer or transferee has failed to submit a report on Form 413-b or Form 415-b, or has failed to remit the amount of any penalty which was or should have been collected by him, the buyer or transferee, as the case may be, shall be requested to submit the reports and penalties which are in default and the correction of Form 450 in that respect shall be made only after the reports or penalties have been submitted. If the producers on the farm have not marketed all of the cotton on the farm as of March 1, 1941, the record of cotton marketed and penalties paid as adjusted at that time shall be made by correcting the entries in columns 37 through 56. Thereafter, the entries in columns 37 through 56 shall be examined, and, if necessary, adjusted as indicated above by the farm operator and the county committee on the basis of the farm operator's final report on Form 417.

(g) **Record of the amount of penalties incurred.**—As a general principle, in computing the amount of the penalty incurred in marketing cotton from a farm in connection with which one or more producers have two-cent carry-over penalty cotton, it shall be presumed that the amount of cotton marketed in excess of the producer marketing quota was marketed subject to the penalty of 2 or 3 cents per pound as follows: The excess, up to the amount of two-cent carry-over penalty cotton **not** pledged as security for a Commodity Credit Corporation loan shall be presumed to have been marketed subject to the penalty of 2 cents per pound and the balance of the excess, if any, shall be presumed to have been marketed subject to the penalty of 3 cents per pound. If no producer on the farm has any two-cent carry-over penalty cotton in connection with the farm, or if the total amount thereof is pledged to secure a Commodity Credit Corporation loan and was not withdrawn, all cotton marketed in excess of the producer marketing quota is marketed subject to the penalty of 3 cents per pound. After the entries have been made in column 58 of Form 450 as outlined in paragraph (f) of this section, the amount

<sup>87</sup> Sec. 234 of these instructions.

of the penalties incurred by each producer shall be determined and entered on Form 450 as follows:

1. On line (a), column 59, enter the amount, if any, by which the amount on line (a), column 58 exceeds the amount in column 27, or, if an adjustment in the amount of the producer marketing quotas was made as provided in section 304 (e) of the regulations, the amount in column 28.

2. On line (a) of column 60 for each producer for whom two-cent carry-over penalty cotton **not** under the loan is shown in column 5, enter the number of pounds obtained by subtracting the amount in column 27 or 28, as the case may be, from the amount on line (a) of column 58, except that the entry in column 60 shall not exceed the amount in column 5.

3. The entry in column 61 shall be the amount by which the entry in column 58 exceeds the entry in either column 27 or 28, as the case may be, plus the entry on line (a) of column 60.

4. On line (b) of column 61 enter the product obtained by multiplying the entry on line (a) thereof by 3 cents.

5. On line (b) of column 60 enter the product obtained by multiplying the entry on line (a) thereof by 2 cents.

6. On line (b) of column 59 enter the sum of the entries on line (b) in columns 60 and 61.

7. The sum of the entries in columns 59, 60, and 61 shall be entered on lines 11 (a) and 11 (b) thereof.

(h) **Determination of refunds.**—A record of the amounts which are to be refunded pursuant to section 704 of the regulations shall be made on Form 450 as follows:

1. If the entry on line (b), column 59, for any producer is **in excess** of the entry opposite his name on line (b), column 58, enter on line (b), column 62, the amount by which the entry on line (b), column 59, exceeds the entry on line (b), column 58. The sum of the entries in column 62 shall be entered on line 11 (b) thereof.

2. If the entry on line (b), column 59, for any producer is **less** than the entry opposite his name on line (b), column 58, enter on line (b), column 63, the amount by which the entry on line (b), column 58, exceeds the entry on line (b), column 59. The sum of the entries in column 63 shall be entered on line 11 (b) thereof.

3. If the entries on lines 11 (b) of columns 59 and 62, respectively, are **equal to or in excess of** the entries on lines 11 (b) of columns 58 and 63, **no** refund in connection with the farm may be authorized to be made to any producer out of the funds held in the 1940-1941 special deposit account. In the heading of column 62 enter the amount by which the entry on line 11 (b), column 62, exceeds the amount on line 11 (b), column 63. The amount so entered must be equal to the amount by which the entry on line 11 (b), column 59, exceeds the entry on line 11 (b), column 58. If the entries on lines 11 (b) of columns 58 and 63, respectively, are **in excess** of the entries on lines 11 (b) of columns 59 and 62, the amount of the excess to which each producer is entitled as a refund shall be determined as follows:

a. On line 11 (b), column 64, enter the amount by which the entry on line 11 (b), column 63, exceeds the entry on line 11 (b), column 62.

b. In the heading of column 64, beneath the word "Refunds", enter the quotient (carried to four decimal places) obtained by dividing the amount on line 11 (b), column 64, by the amount on line 11 (b), column 63.

c. On line (b), column 64, opposite each producer's name, enter the result obtained by multiplying the amount in column 63 for him by the percentage factor in the heading of column 64. The sum of the entries so made must equal the amount on line 11 (b), column 64.

d. If no entries appear in column 62, enter on line (b) in column 64 for each producer the amount shown on line (b) in column 63 opposite his name.

e. In the heading of column 64, beneath the words "Voucher No.", enter the voucher number of the voucher covering the refunds shown in column 64.

f. No refund shall be certified for payment unless and until the auditor has examined the records with respect to the farm and found them to be correct.

(i) **Determination of the amount of unmarketed cotton.**—After or at the time the entries are made in column 58 of Form 450 and prior to the time any refunds for the producers on the farm are approved and certified, the amount of unmarketed cotton on hand shall be determined. In order to overcome the presumption that a farmer has marketed all cotton which is shown in columns 4 through 9 and column 17 (column 17 is also the amount on Forms 451 and 354) of Form 450, a representative of the county office shall verify the amount of unmarketed cotton shown in Part IV of the farm operator's report on Form 417 by actual inspection of the cotton described therein or an examination of warehouse receipts, or, in the case of cotton pledged as security for a Commodity Credit Corporation loan, by an examination of the producer's loan agreement. If the amount of unmarketed cotton as reported in Part IV of Form 417 for the farm is found to be correct, the representative of the county office shall execute the certificate in Part VII of Form 417. If Part IV of Form 417 is found to be in error, the county office representative shall prepare a memorandum showing therein the nature of the errors and the correct information concerning the unmarketed cotton. The operator of the farm shall be requested to explain the difference or to file a correctly executed Form 417. If the amount of unmarketed cotton on hand as determined by the county office representative and as shown in Part IV of Form 417 plus the amount on line 11(a), column 58, is less than the sum of the entries on line 11 of columns 4 through 9 and 17, the amounts in column 58 shall be increased by the amount of the difference. This adjustment must allow for variations in gin weights and sales weights of the bales or lots of cotton produced in 1940 and carried over into the 1940-1941 marketing year from a previous crop which are not accounted for in column 58 or by the inspection of the unmarketed cotton on hand. The amount of the unmarketed cotton on hand determined as indicated above shall be entered on Form 450 as follows:

1. In column 29 enter the number of pounds of cotton which, if marketed, would not be subject to penalty and is not pledged as security for a Commodity Credit Corporation loan.

2. In column 30 enter the amount of cotton which, if marketed, would be subject to the penalty of 2 cents per pound and is not pledged as security for a Commodity Credit Corporation loan.

3. In column 31 enter the amount of cotton which, if marketed, would be subject to the penalty of 3 cents per pound and is not pledged as security for a Commodity Credit Corporation loan.

4. In column 32 enter the amount of cotton which, if marketed, would not be subject to penalty and is pledged as security for a Commodity Credit Corporation loan.

5. In column 33 enter the amount of cotton which, if marketed, would be subject to the penalty of 2 cents per pound and is pledged as security for a Commodity Credit Corporation loan.

6. In column 34 enter the amount of cotton which, if marketed, would be subject to the penalty of 3 cents per pound and is pledged as security for a Commodity Credit Corporation loan.

### Sec. 226. Preparation and Execution of Form 450-A

(a) **Initial preparation of Form 450-A.**—Form 450-A shall be prepared in the original only and placed in a binder in the numerical order of the farm serial numbers for which it is prepared. Form 450-A shall be executed as follows:

1. In the spaces indicated enter the farm serial number, preceded by the State and county code number, the sheet number and total number of sheets, and the marketing year, that is, "1940-1941". If any producer has an interest in other farms, enter the word "Multiple" above the title of Form 450-A and list in the spaces provided the name of each such producer and the serial numbers of the other farms in which he is interested.

2. In column 1 enter the names of all cotton producers on the farm. If there are persons on the farm in 1940 who have cotton on hand from a previous crop but who are not interested in the cotton crop produced in 1940 on the farm or in the proceeds thereof, enter the names of such persons in column 1 after the names of all producers have been listed.

3. In the heading of column 1 following the words "Acreage Allotment" enter the farm acreage allotment established for the farm for 1940. If a farm acreage allotment for a new farm was not established, enter the word "None".

4. In the heading of column 1 following the words "Normal Yield" enter the normal yield per acre of lint cotton established for the farm for 1940.

5. In column 2 opposite each producer's name enter his fractional share in the cotton produced in 1940 on the farm, that is,  $\frac{1}{2}$ ,  $\frac{1}{4}$ , or  $\frac{3}{4}$ , etc.

6. In the heading of column 2 enter the acreage planted to cotton in 1940 on the farm as shown by the report of measurements.

7. In the heading of column 3 enter the normal production of the farm acreage allotment determined by multiplying the farm acreage allotment by the normal yield per acre.

(b) **Initial apportionment of producer marketing quotas.**—Producer marketing quotas shall first be determined by executing Form 450-A as follows:

1. In column 3 for each producer enter his share in the normal production of the farm acreage allotment, as it appears in the heading of column 3, which shall be determined by dividing the normal production of the farm acreage allotment among the producers on the farm as they share in the cotton produced in 1940 on the farm, as shown by the fractional shares in column 2.

2. The sum of the entries in column 3 must equal the normal production of the farm acreage allotment.

3. If the county committee determines that the figures in column 3 are not a fair and reasonable basis for establishing initial producer marketing quotas because of variations in productivity, the acreage planted to cotton by each producer, crop failure, or any other cause, and redetermines the amount of the producer marketing quotas as originally shown in column 3, the entries in column 3 shall be circled and the corrected producer marketing quotas entered above the circled figures. A memorandum showing the reason for the change and the factors considered in making the change must be filed in the farm folder.

(c) **Record of cotton on hand from a previous crop.**—The record of the carry-over penalty free cotton and carry-over penalty cotton in connection with the farm will be entered in columns 4 through 9 of Form 450-A in accordance with the procedure outlined in section 225 (c) of these instructions.

(d) **Intermediate reapportionments of producer marketing quotas.**—If the farm marketing quota is increased as provided in section 301 (c) of the regulations, an intermediate reapportionment of producer marketing quotas shall be made as provided in section 304 (c) of the regulations. In making an intermediate reapportionment of producer marketing quotas columns 10 and 11 of Form 450-A shall be executed as follows:

1. In the heading of column 10, beneath the word "Production", enter the total amount of lint cotton (exclusive of bagging and ties) produced in 1940 on the farm as shown on Forms 451 at the time the intermediate reapportionment is made. If gin reports for all cotton produced in 1940 on the farm are not on file in the county office at the time the reapportionment is made and the producers on the farm file with the county office gin tickets or receipts for the amount of cotton not covered by the gin reports, the county committee may, if it finds the gin tickets or receipts are authentic and reliable proof of the production, include the amount of lint cotton shown on the gin tickets or receipts as a part of the production on the farm for the purpose of making the intermediate reapportionment. Such gin tickets or receipts shall be kept in the county office in the folder for the farm.

2. Divide the total production as shown in the heading of column 10 by the acreage planted to cotton as shown in the heading of column 2 and enter the resulting actual yield per acre in the space provided in the heading of column 10 after the word "Yield". Express the yield per acre to the nearest tenth of a pound.

3. In the heading of column 10 in the space following the word "Quota", enter the amount of the increased farm marketing quota determined by multiplying the acreage allotment in the heading of column 1 by the actual yield per acre in the heading of column 10.

4. On line 4, column 10, enter the smaller of the following: (i) the amount by which the increased farm marketing quota as shown in the heading of column 10 after the word "Quota" exceeds the normal production of the farm acreage allotment as shown in the heading of column 2; or (ii) the amount by which the actual production as shown in the heading of column 10 exceeds the normal production of the farm acreage allotment.

5. In column 10 opposite each producer's name enter his share in the increase shown on line 4, column 10, which shall be determined by dividing the increase among the producers on the farm as they share in the cotton produced in 1940 on the farm, as shown by the fractional shares in column 2.

6. If a **second intermediate reapportionment** is made, enter in the heading of column 11, beneath the word "Production", the total amount of lint cotton produced in 1940 on the farm at the time the second intermediate reapportionment is made, which shall be determined in the manner outlined in item 1 above for the first intermediate reapportionment.

7. Divide the total production as shown in the heading of column 11 by the acreage planted to cotton as shown in the heading of column 2 and enter the resulting actual yield per acre in the space provided in the heading of column 11 after the word "Yield". Express the yield per acre to the nearest tenth of a pound.

8. In the heading of column 11, in the space following the word "Quota", enter the amount of the increased farm marketing quota determined by multiplying the acreage allotment in the heading of column 1 by the actual yield per acre in the heading of column 11.

9. On line 4, column 11, enter the smaller of the following: (i) the amount by which the increased farm marketing quota as shown in the heading of column 11 after the word "Quota" exceeds the amount of the farm marketing quota as first increased, as shown in the heading of column 10 after the word "Quota"; or (ii) the amount by which the actual production as shown in the heading of column 11 exceeds the amount of the initial farm marketing quota plus the amount reapportioned to the producers on the farm as shown on line 4 of column 10.

10. In column 11 opposite each producer's name enter his share in the increase shown on line 4, column 11, which shall be determined by dividing the increase among the producers on the farm as they share in the cotton produced in 1940 on the farm as shown by the fractional shares in column 2.

(e) **Final reapportionment of producer marketing quotas.**—When the farm marketing quota is finally determined as provided in section 301 (c) of the regulations, the producer marketing quotas shall be reapportioned as provided in section 304 (d). In making a final reapportionment of producer marketing quotas, columns 12 through 15 of Form 450-A shall be executed as follows:

1. In the heading of column 12, beneath the word "Production", enter the total amount of cotton produced in 1940 on the farm as shown on Form 451.

2. Divide the total production as shown in the heading of column 12 by the acreage planted to cotton as shown in the heading of column 2 and enter the resulting actual yield per acre in the heading of column 12 after the word "yield." Express the yield per acre to the nearest tenth of a pound.

3. In the heading of column 12, beneath the word "Quota", enter the greater of the following: (i) the result obtained by multiplying the actual average yield per acre of the acreage planted to cotton as shown in the heading of column 12 after the word "Yield" by the cotton acreage allotment as shown in the heading of column 1; or

(ii) the result obtained by multiplying the normal yield as shown in the heading of column 1 by the cotton acreage allotment.

4. The entry in column 12 for each producer shall be determined as follows:

a. If the farm marketing quota as shown in the heading of column 12 beneath the word "Quota" is equal to the normal production of the farm acreage allotment as shown in the heading of column 3, enter in column 12 opposite each producer's name the smaller of the following: (i) his initial producer marketing quota as shown in column 3; or (ii) his share in the total production in 1940 on the farm plus the amount of his carry-over penalty cotton shown in columns 5, 6, 8, and 9. On line 4, column 12, enter the sum of the amounts in column 12.

b. If the farm marketing quota as shown in the heading of column 12 beneath the word "Quota" exceeds the normal production of the farm acreage allotment as shown in the heading of column 3, enter on line 4, column 12, the smaller of the following: (i) the amount of the farm marketing quota as shown in the heading of column 12 beneath the word "Quota"; or (ii) the total amount of cotton produced in 1940 on the farm as shown in the heading of column 12 beneath the word "Production." In column 12 for each producer enter his share in the amount shown on line 4, column 12, which shall be determined by dividing such amount among the producers on the farm as they share in the cotton produced in 1940 on the farm as shown by the fractional shares in column 2.

5. If the amount on line 4, column 12, is equal to the amount of the farm marketing quota as shown in the heading of column 12, or if the amount on line 4, column 12, is less than the farm marketing quota and no producer on the farm has any carry-over penalty cotton, enter in column 15 for each producer the amount shown opposite his name in column A **plus** the amount in column 12.

6. If the amount on line 4, column 12, is less than the amount of the farm marketing quota as shown in the heading of column 12 and one or more of the producers have carry-over penalty cotton which would be marketed in excess of the amount shown opposite his name in column 12, columns 13, 14, and 15 shall be executed as follows:

a. In column 13 opposite each producer's name enter the amount by which the sum of the entries in columns 5, 6, 8, and 9, plus his share in the total production in 1940 on the farm exceeds the entry for him in column 12. On line 4, column 13, enter the sum of the amounts in column 13.

b. In the heading of column 14, beneath the word "Pounds," enter the amount by which the farm marketing quota as shown in the heading of column 12 exceeds the entry on line 4, column 12.

c. If the portion of the farm marketing quota shown in the heading of column 14 beneath the word "Pounds" is equal to or in excess of the entry on line 4, column 13, enter in column 14 the entries in column 13.

d. If the portion of the farm marketing quota shown in the heading of column 14 beneath the word "Pounds" is less than the entry on line 4, column 13, enter in column 14 for each producer his share in the increased poundage shown in the heading of column 14, which shall be determined by dividing the increase among the producers on the farm as they share in the cotton produced in 1940 on the farm as shown by the fractional shares in column 2. The entry for any producer in column 14 shall not exceed the entry for him in column 13 and the amount by which the entry which otherwise would be made in column 14 for a producer exceeds the entry for him in column 13 shall be distributed among the other producers as they share in the cotton produced in 1940. On line 4, column 14, enter the sum of the amounts in column 14.

e. In column 15 enter the sum of the entries in columns 4, 12, and 14.

7. If the county committee determines that the figures in column 15 are not fair and reasonable shares in the actual or normal production of the farm acreage allotment, whichever is the greater, because of variations in productivity, the acreage planted to cotton by each producer, crop failure, or any other cause, and, as provided in section

304(e) of the regulations, redetermines the shares as originally shown in column 15, the entries in column 15 shall be circled and the re-determined producer marketing quotas entered above the circled figures. That part of a producer marketing quota which is attributable to the carry-over penalty free cotton shall not be adjusted, reduced, or increased under this item. A memorandum showing the reasons for the change and the facts considered by the county committee in making the change must be filed in the folder for the farm.

8. If any carry-over penalty free cotton pledged to secure a Commodity Credit Corporation loan is withdrawn from the loan subsequent to the time the final producer marketing quotas are entered in column 15, the amount of the producer marketing quota in column 15 for the producer who redeems the cotton shall be increased by the amount of the cotton withdrawn from the loan and the amount of the producer marketing quota so increased shall be entered in column 15 in lieu of the previous producer marketing quota shown therein.

(f) **Record of cotton marketed and penalties remitted.**—The record of cotton marketed and penalties remitted to the treasurer of the county committee shall be made on Form 450-A as follows:<sup>88</sup>

1. On line (a), following the words "Reference No.", in the heading of columns 16 through 26, enter the printed serial number of Form 413-b or 415-b received from the buyer or transferee or producer. The designation "CR" in the printed serial number of Form 413-b may be disregarded for this purpose. The serial number of any Form 415-b shall be preceded by the letter "B" instead of the designation "CB" which appears in the printed serial number thereof. The reference to the first Form 413-b or 415-b covering the marketing of cotton in connection with the farm shall be entered on line (a) in the heading of column 16, and the references to Forms 413-b and 415-b received subsequently shall be entered in consecutive order on line (a), following the words "Reference No.", in the headings of columns 17 through 26.

2. On line (b), following the words "Reference No.", in the heading of columns 16 through 26, enter the printed serial number of form 419<sup>89</sup> or Form 419-A<sup>90</sup> (in entering the serial number of Form 419-A the entry shall be preceded by the letter "A") issued to the remitter of the penalty incurred with respect to the transaction covered by a particular Form 413-b or 415-b. The printed serial number of Form 419 or Form 419-A shall be entered on line (b) in the heading of the column in which the printed serial number of the related Form 413-b or 415-b was entered on line (a). If no penalty was incurred or remitted with respect to the transaction covered by a particular Form 413-b or 415-b, no entry shall be made on line (b) in the heading of the column in which the serial number of Form 413-b or 415-b is recorded on line (a). If Form 413-b indicates that a penalty was incurred, that is, an entry appears in item 5 thereof, or if Form 415-b is received, and the amount of the penalty has not been remitted, no entry shall be made on line (b) in the heading of the column in which the printed serial number thereof is recorded and the serial number

<sup>88</sup> In this connection also see Secs. 232 and 233 of these instructions.

<sup>89</sup> Sec. 233 (b) of these instructions.

<sup>90</sup> Sec. 233 (g) of these instructions.

of Form 413-b or 415-b on line (a) thereof shall be circled in red.<sup>91</sup> If the penalty is subsequently remitted, the printed serial number of the Form 419 shall be entered on line (b) in the manner outlined above. If only a portion of the penalty shown by Form 413-b or 415-b to have been incurred was remitted,<sup>92</sup> the printed serial number of Form 419 shall be entered on line (b) in the heading of the column in which the printed serial number of the related Form 413-b or 415-b is recorded.

3. On line (a) in columns 16 through 26 for each producer enter the number of pounds shown opposite his name in item 9 of Form 413-b or 415-b. The number of pounds shown on the first Form 413-d or 415-b covering the marketing of cotton by or for a producer shall be entered on line (a) of column 16, and the number of pounds covered by subsequent Forms 413-b or 415-b in connection with the farm shall be entered in consecutive order on line (a) in columns 17 through 26.<sup>93</sup> **A separate column shall be used for each Form 413-b or 415-b.**

4. On line (b) in the columns 16 through 26 opposite the name of each producer having an interest in the cotton marketed, enter the amount remitted as the penalty with respect to the transaction covered by a particular Form 413-b or 415-b. In the case of Form 413-b where only one producer had an interest in the cotton marketed, the amount of the penalty shall be taken from item 6 of Form 413-b. In the case of Form 413-b where more than one producer had an interest in the cotton marketed and all of it was marketed subject to penalty, the amount of the penalty to be entered for each producer shall be determined by multiplying by 3 cents the entry shown opposite his name in item 9 of Form 413-b. In the case of Form 413-b where more than one producer had an interest in the cotton marketed and only a portion of it was marketed subject to penalty, the amount of the penalty for each producer shall be taken from the related Form 355.<sup>94</sup> In the case of Form 415-b where only one producer had an interest in the cotton marketed, the amount of the penalty shall be the sum of the entries in items 6 a. and 6 b. of Form 415-b. In the case of Form 415-b where a penalty of either 2 cents per pound, or 3 cents per pound, was incurred and more than one producer had an interest in the cotton marketed, the amount of the penalty for each producer shall be determined by multiplying by 2 cents, or 3 cents, as the case may be, the entry shown opposite his name in item 9 of Form 415-b. In the case of Form 415-b where more than one producer had an interest in the cotton marketed and a portion of it was marketed subject to the penalty of 2 cents and a portion subject to the penalty of 3 cents, the amount of the penalty for each producer shall be taken from the related Form 355.<sup>95</sup> The amount collected as the penalty shall be entered on lines (b) of the column in which the cotton covered by the related Form 413-b or 415-b was entered. If no penalty was incurred with respect to the transaction covered by a particular Form 413-b, no entry shall be made on line (b) of the column in which the cotton covered by the Form 413-b is recorded. If Form

<sup>91</sup> Sec. 233 (i) of these instructions.

<sup>92</sup> Sec. 233 (c) of these instructions.

<sup>93</sup> Item 5 of Sec. 232 (a) and item 7 of Sec. 232 (e) of these instructions.

<sup>94</sup> Sec. 232 (b) of these instructions.

<sup>95</sup> Sec. 232 (d) of these instructions.

413-b indicates that a penalty was incurred, that is, an entry appears in item 5 thereof, or if Form 415-b is received, and the amount of the penalty was not remitted, no entry shall be made on line (b) of the column in which the cotton covered by Form 413-b or 415-b is recorded until the penalty is remitted.<sup>96</sup>

5. If the buyer makes the report required pursuant to section 802 (c) of the regulations in connection with any cotton not identified by a marketing card or certificate, the amount of cotton so marketed shall be recorded as provided in items 1 through 4 above with the exception that, in lieu of the printed serial number of Form 413-b or 415-b, enter the symbol "N-I". If the penalty in connection therewith was not remitted as provided in section 601 of the regulations, the symbol "N-I" shall be circled in red to indicate that the penalty was not remitted.

6. At the close of each month, after Forms 413-b and 415-b received during the month are recorded as outlined in items 1 through 5 above, the total amount of cotton marketed from the farm as shown on line (a) in columns 16 through 26 shall be computed and the total amount of the penalties remitted in connection therewith as shown on line (b) in such columns shall be computed. The totals for the farm through the first month shall be recorded on lines 4 (a) and 4 (b), respectively, of the last column required to post the entries for the first month; the cumulative totals through the second month shall be recorded on line 4 (a) and line 4 (b), respectively, of the last column required to post the entries through that month, and the cumulative totals for subsequent months shall likewise be entered.

7. After all of the cotton produced in 1940 on the farm, plus the amount of any carry-over cotton which they had on hand, is marketed, the sum of the entries in columns 16 through 26 for each producer shall be entered in column 27 and the sum of the entries in column 27 shall be entered on lines 4 (a) and 4 (b) of column 27.

8. If the amounts in column 27 are correct as verified by the farm operator's report on Form 417,<sup>97</sup> the amounts shown in column 27 for producers who have completed the marketing of all of their cotton shall be transferred to column 28. If any of the entries for any of the producers are not correct the records of the farm operator and the county committee shall be reconciled and the farm operator and the county committee shall make any corrections necessary and enter the correct amounts in column 28 for each producer and for the farm. If a buyer or transferee has failed to submit a report on Form 413-b or Form 415-b, or has failed to remit the amount of any penalty which was or should have been collected by him, the buyer or transferee, as the case may be, shall be requested to submit the reports and penalties which are in default and the correction of Form 450-A in that respect shall be made only after the reports or penalties have been submitted. If the producers on the farm have not marketed all of the cotton on the farm as of March 1, 1941, the record of cotton marketed and penalties paid as adjusted at that time shall be made by correcting the entries in columns 16 through 26. Thereafter, the entries in columns

<sup>96</sup> Paragraphs (c) and (i) of Sec. 233 of these instructions.

<sup>97</sup> Sec. 234 of these instructions.

16 through 26 shall be examined, and, if necessary, adjusted as indicated above by the farm operator and the county committee on the basis of the farm operator's report on Form 417.

(g) **Record of the amount of penalties incurred.**—After the entries have been made in column 28 of Form 450-A as outlined in paragraph (f) of this section, the amount of the penalties incurred by each producer shall be determined and entered on Form 450-A as follows:<sup>98</sup>

1. On line (a), column 29, enter the amount, if any, by which the entry on line (a), column 28 exceeds the entry in column 15 for each producer.

2. On line (a), column 30, for each producer for whom two-cent carry-over penalty cotton **not** under the loan is shown in column 5, enter the number of pounds obtained by subtracting the entry in column 15 from the entry on line (a), column 28, except that, the entry on line (a), column 30 shall not exceed the entry in column 5.

3. The entry in column 31 shall be the amount, if any, by which the entry on line (a), column 28 exceeds the sum of the entries in column 15 and on line (a), column 29.

4. On line (b), column 31, enter the product obtained by multiplying the entry on line (a) thereof by 3 cents.

5. On line (b), column 30, enter the product obtained by multiplying the entry on line (a) thereof by 2 cents.

6. On line (b), column 29, enter the sum of the entries on line (b) in columns 30 and 31.

7. The sum of the entries in columns 29, 30 and 31 shall be entered on lines 4 (a) and 4 (b) thereof.

(h) **Determination of refunds.**—A record of the amounts which are to be refunded pursuant to section 704 of the regulations shall be made on Form 450-A as follows:

1. If the entry on line (b), column 29, for any producer is **in excess** of the entry opposite his name on line (b), column 28, enter on line (b), column 32, the amount by which the entry on line (b), column 29, exceeds the entry on line (b), column 28. The sum of the entries in column 32 shall be entered on line 4 (b) thereof.

2. If the entry on line (b), column 29, for any producer is **less** than the entry opposite his name on line (b), column 28, enter on line (b), column 33 the amount by which the entry on line (b), column 28 exceeds the entry on line (b), column 29. The sum of the entries in column 33 shall be entered on line 4 (b) thereof.

3. If the entries on line 4 (b) of columns 29 and 32, respectively, are **equal to or in excess of** the entries on line 4 (b) of columns 28 and 33, **no** refund in connection with the farm may be authorized to be made to any producer out of the funds held in the 1940-1941 special deposit account. In the heading of column 32 enter the amount by which the entry on line 4 (b), column 32, exceeds the amount on line 4 (b), column 33. The amount so entered must be equal to the amount by which the entry on line 4 (b), column 29, exceeds the entry on line 4 (b), column 28. If the entries on line 4 (b) of columns 28 and 33, respectively, are **in excess** of the entries on line 4 (b) of columns

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<sup>98</sup> In this connection see Sec. 225 (g) of these instructions.

29 and 32, the amount of the excess to which each producer is entitled as a refund shall be determined as follows:

- a. On line 4 (b), column 34, enter the amount by which the entry on line 4 (b), column 33 exceeds the entry on line 4 (b), column 32.
- b. In the heading of column 34, beneath the word "Refunds," enter the quotient (carried to four decimal places) obtained by dividing the amount on line 4 (b), column 34, by the amount on line 4 (b), column 33.
- c. On line (b), column 34, opposite each producer's name, enter the result obtained by multiplying the amount in column 33 by the percentage factor in the heading of column 34. The sum of the entries so made must equal the amount on line 4 (b), column 34.
- d. If no entries appear in column 32, enter on line (b) in column 34 for each producer the amount shown on line (b) in column 33 opposite his name.
- e. In the heading of column 34, beneath the words "Voucher No.," enter the voucher number of the voucher covering the refunds shown in column 33.
- f. No refund shall be certified for payment unless and until the auditor has examined the records with respect to the farm and found them to be correct.

(i) **Determination of the amount of unmarketed cotton.**—After or at the time the entries are made in column 28 of Form 450-A and prior to the time any refunds for the producers on the farm are approved and certified, the amount of unmarketed cotton on hand shall be determined as provided for in section 225 (i) of these instructions and the amounts thereof entered in columns 35 through 40 of Form 450-A in the manner outlined in that section for the execution of columns 29 through 34 of Form 450.

### Sec. 227. Issuing Red Marketing Cards

(a) **Conditions under which red marketing cards will be issued.<sup>99</sup>**—Red marketing cards (Form 412), together with the accompanying Forms 413, shall not be prepared for issuance unless and until columns (1) through (9) of Form 450 or 450-A are executed.<sup>1</sup> Red marketing cards will be issued for each producer on any farm to which any of the exceptions, other than exceptions 4 and 6, referred to in section 219 (a) of these instructions is applicable. Where either exception 4 or 6 of section 219 (a) of these instructions is applicable, no marketing card shall be issued to or for the multiple farm producer for the underplanted farms in connection with which no producer has carry-over penalty cotton unless and until he requests the issuance of a marketing card for it and, in that event, a red marketing card shall be issued to him.<sup>2</sup> Red marketing cards shall also be issued to producers on a farm for which a cotton acreage allotment was established for 1940 but on which no cotton is planted in 1940 if cotton on hand from a previous crop will be marketed in connection with the farm. A red marketing card shall also be issued to a person who has carry-over penalty-free cotton or three-cent carry-over penalty cotton but who is not located in 1940 on a farm for which a cotton acreage allotment was established or who is not on any farm in 1940.<sup>3</sup> Red marketing cards shall be issued to the producers on a new farm on which cotton is planted in 1940 but for which it was determined that no cotton acreage allotment or farm

<sup>99</sup> Sec. 502 of the regulations.

<sup>1</sup> Paragraphs (a) and (b) of Sec. 225 and paragraphs (a) and (b) of Sec. 226 of these instructions.

<sup>2</sup> Paragraphs (b) and (c) of Sec. 505 of the regulations.

<sup>3</sup> See the fourth sentence of Sec. 502 (a) of the regulations.

marketing quota will be established.<sup>4</sup> Where the farm is an overplanted farm or a farm in connection with which one or more producers have carry-over penalty cotton, white marketing cards may be issued in lieu of the red marketing cards if a bond of indemnity on Form 423 or funds to be held in escrow to secure payment of the penalty are accepted for the farm.<sup>5</sup> A white marketing card may be issued in lieu of the red marketing card for an overplanted farm for which a farm acreage allotment was established and in connection with which no producer has carry-over penalty cotton if it is estimated or found that the total production in 1940 of the acreage planted to cotton will not exceed 1,000 pounds of lint cotton.<sup>6</sup>

(b) **Appointment of operator to receive red marketing card in trust for all producers.**<sup>7</sup>—In any case where a red marketing card would otherwise be issued to each producer on a farm, a red marketing card may be issued in trust to the operator of the farm if all producers, including the operator, execute an agreement to that effect on Form 424 and file it with the county committee. The agreement on Form 424 shall not be recognized if (i) any producer on the farm failed or refused to enter into the agreement and execute Form 424, (ii) red marketing cards were issued to all producers prior to the time Form 424 was filed with the county committee, (iii) measurements for the farm cannot be made, (iv) the issuance of a single red marketing card to the operator for all producers would be inconsistent with the marketing practices followed on the farm, or (v) it is indicated that each producer would not receive the benefit of the producer marketing quota to which he is entitled or that a producer's rights would otherwise be prejudiced. The original of the executed Form 424 shall be filed in the folder for the farm. The issuance of a red marketing card to the operator in trust for all producers will not otherwise change the execution of Form 450 or 450-A.<sup>8</sup>

(c) **Preparation of Form 410-A for red marketing cards.**—A record of the issuance of all red marketing cards and the related Forms 413 shall be kept on Farm 410-A prepared in the original only as follows:

1. In the blank space in the title preceding the words "marketing Cards" enter the word "Red."
2. Tabulate on a separate line the data with respect to the issuance of each Form 412 and book of Forms 413. Form 412 and the data in connection with the issuance thereof shall be listed strictly in the numerical order of the printed serial numbers appearing thereon. All Forms 412 to be issued to producers on a single farm shall be listed on Form 410-A on consecutive lines.
3. In the spaces indicated enter the State and county code number, the page number, the name of the county, and the name of the State.
4. In column A enter the serial number of the farm.
5. In Column B enter the name of the operator or producer to whom Form 412 and the related Forms 413 are issued.

<sup>4</sup> See the fifth sentence of Sec. 502 (a) of the regulations.

<sup>5</sup> Sec. 235 of these instructions.

<sup>6</sup> Sec. 236 of these instructions.

<sup>7</sup> Sec. 502 (b) of the regulations.

<sup>8</sup> Secs. 224, 225, and 226 of these instructions.

6. In columns D and E enter the first and last serial numbers, respectively, of Forms 413 which are in the same book and accompany the Form 412.

7. In column H enter the printed serial number of the Form 412 to be issued to the operator or producer.

(d) **Preparation of red marketing cards.**—Each red marketing card shall be prepared as follows:

1. In the spaces indicated enter the serial number for the farm and the names of the State and county and the code number therefor.

2. On the line beneath the space for the names of the State and county and the code number therefor, enter a brief description of the farm; if the producer for whom Form 412 is to be issued has an interest in more than one farm, or if the county committee determines that a description of the farm is necessary.

3. In the blank space following the words "This is to certify that" enter in words the following:

a. If the red marketing card is to be issued to a producer with respect to a farm for which a farm acreage allotment and marketing quota were established, enter the sum of the amounts in columns 3 and 4 of Form 450 or 450-A for the producer, as, for example, "Two Thousand". If the red marketing card is to be issued to the operator in trust for all producers on the farm, enter the sum of the amounts on line 11 of columns 3 and 4 of Form 450, or on line 4 of columns 3 and 4 of Form 450-A.

b. If the red marketing card is to be issued to a person who is not located on a farm, or who is located on a farm for which no cotton acreage allotment was established, enter the number of pounds of his carry-over penalty free cotton, or if he has no carry-over penalty free cotton but has three-cent carry-over penalty cotton, enter the word "None".

c. If the red marketing card is to be issued to a producer with respect to a new cotton farm for which a farm acreage allotment and marketing quota were not established, enter the word "None", or, if the producer has carry-over penalty free cotton, the amount of carry-over penalty free cotton which the producer has on hand.

4. In the parentheses preceding the word "pounds", enter, in figures, the amount entered pursuant to item 3 above, as, for example, "1000", or if the word "None" was entered, the word "Zero" shall be entered in the parentheses.

5. In the space indicated print the name and full mail address of the farm operator.

6. In the space indicated print the name and full mail address of the producer or other person to whom the red marketing card will be issued. If the red marketing card is to be issued to the farm operator, enter the word "Same".

(e) **Preparation of Forms 413.**—Forms 413 shall be prepared as follows:

1. All entries on Form 413 which are to be made in the county office shall be made with indelible pencil except for the stamping of the address of the treasurer of the county committee on the postal-card copy (Form 413-b).

2. In the spaces indicated enter on each Form 413 (i) the farm serial number; (ii) the names of the State and county and the code number therefor; and (iii) the name and full mail address of the producer to whom issued.

3. In item 2 of the **first set** of Form 413 in each book enter the amount of the marketing quota which is shown on the Form 412 which accompanies the book of Forms 413.<sup>9</sup>

4. On the address side of **each** Form 413-b stamp the full mail address of the treasurer of the county committee beneath the words "Treasurer of County Agricultural Conservation Committee".

(f) **Delivery of red marketing cards.**—The county committee shall examine each Form 412, 413, and 410-A and, if found to be correct, a member thereof shall, on its behalf, sign Form 412 in the space provided and enter the date of his signature. The operator or producer to whom Forms 412 and 413 are issued shall receipt therefor by signing his name in column J of Form 410-A and entering the date of his signature in column I thereof. The operator or producer to whom the red marketing card is issued shall also countersign it (by signing his name in the style shown therein) in the space provided at the time he receives it and enter the date thereof opposite his signature.

(g) **Delivery of Forms 412 and 413 by mail.**—If Forms 412 and 413 cannot be delivered in person to the operator or producer for whom prepared after a reasonable effort to effect the delivery in that manner, the red marketing card may be mailed to the operator or producer in accordance with the procedure outlined in section 219 (h) for the delivery of white marketing cards by mail.

(h) **Issuing additional red marketing cards where producer marketing quotas are not increased.**—In cases where the number of transactions in which a producer markets cotton will be in excess of the number of sets of Forms 413 contained in the book accompanying the Form 412 issued to him and additional Forms 412 and 413 are not to be issued under section 502 (c), 504, or 506 of the regulations, the county committee shall, upon request of the producer, issue an additional book of Forms 413, and the Form 412 accompanying it, in accordance with the procedure outlined in paragraphs (b), (c), (d), (e), (f), and (g) of this section with the following exceptions:

1. The amount of the producer marketing quota or farm marketing quota, as the case may be, entered on the new Form 412 shall be the same as that shown on the previous Form 412. If the particular book is the second book issued to the producer, the word "Second" shall be entered on the face of Form 412. Similarly, the issue number of each subsequent book issued to a producer in accordance with the provisions of this paragraph shall be entered on the face of Form 412; as, for example, "Third" or "Fourth."

2. In item 2 of the first set of the Forms 413 in the new book enter the **unused** portion, if any, of the marketing quota as shown in line 4 of the last Form 413-a contained in the book previously issued. If there is no unused marketing quota the word "None" shall be entered in item 2 of the first set of Forms 413 in the new book.

3. In column K of Form 410-A enter the word "Second" or "Third," etc., as the case may be, and the serial numbers of the Forms 412 previously issued to the producer.

<sup>9</sup> Items 3 and 4 of paragraph (d) of this section.

(i) **Issuing additional red marketing cards on the basis of an intermediate or final reapportionment of producer marketing quotas.**—If the producer marketing quotas for a farm are reapportioned among the producers thereon as provided in section 304 of the regulations,<sup>10</sup> the following procedure shall be observed:<sup>11</sup>

1. The amount by which the farm or producer marketing quota was increased, which is to be shown on the red marketing cards, shall be determined as follows:

a. In the case of a **first intermediate reapportionment**, the increased amount shall be the amount shown opposite the producer's name in column 12 of Form 450 or column 10 of Form 450-A. If a red marketing card was issued in trust to the farm operator, the increased amount shall be the amount on line 11, column 12, of Form 450 or on line 4, column 10, of Form 450-A.

b. In the case of a **second intermediate reapportionment**, the increased amount shall be the amount shown opposite the producer's name in column 16 of Form 450 or column 11 of Form 450-A. If a red marketing card was issued in trust to the farm operator, the increased amount shall be the amount on line 11, column 16, of Form 450 or on line 4, column 11, of Form 450-A.

c. In the case of a **final reapportionment** where Form 450 was used, the increased amount shall be the amount shown opposite the producer's name in column 26, or, if a red marketing card was issued in trust to the farm operator, the amount on line 11, column 26.

d. In the case of a **final reapportionment** where Form 450-A was used, the increased amount for each producer shall be the amount by which the sum of the entries in columns 12 and 14 exceeds the sum of the entries in columns 3, 10, and 11. If a red marketing card was issued in trust to the farm operator, the increased amount shall be the amount by which the sum of the entries on line 4 of columns 12 and 14 exceeds the sum of the entries on line 4 of columns 3, 10, and 11.

2. The **first** increase in the producer marketing quota, or, in cases where a red marketing card was issued in trust to the farm operator, the farm marketing quota, shall be entered as follows in Part I (b) of the Form 412 and accompanying certificates on Forms 413 originally issued to the producer or operator:

a. In the blank space following the words "This is to certify that, in addition to the amount shown above," of Part I (b) of Form 412 enter in words the amount of the increase determined as outlined in item 1 of this paragraph, as, for example, "Five Hundred".

b. In the parentheses preceding the word "pounds" of Part I (b) of Form 412 enter in figures the amount of the increase determined as outlined in item 1 of this paragraph, as, for example, "500".

c. In the heading of the first unused certificate on Form 413 accompanying the red marketing card, enter the word "Additional" and in item 2 thereof enter the sum of the following: (i) the amount of the increase determined as outlined in item 1 of this paragraph, and (ii) the unused portion of the quota for which the red marketing card originally was issued.

d. A member of the county committee, acting for it shall approve issuance of the increase by signing his name and entering the date of his signature in the spaces provided in Part I (b) of Form 412 and in the heading of the Form 413 marked "Additional."

3. The **second** increase in the producer marketing quota, or, in case a red marketing card was issued in trust to the farm operator, the farm marketing quota, shall be shown on a new red marketing card to be issued as outlined in paragraphs (b), (c), (d), (e), (f), and (g) of this section, with the exceptions that:

a. The word "Additional" shall be entered above the title of the new Form 412.

<sup>10</sup> Paragraphs (d) and (e) of Sec. 225 and paragraphs (d) and (e) of Sec. 226 of these instructions.

<sup>11</sup> Sec. 502 (c) of the regulations.

b. The amount of the increase determined as outlined in item 1 of this paragraph shall be entered in Part I (a) of the new red marketing card.

c. In item 2 of the first set of new Forms 413 enter the amount of the farm or producer marketing quota which is shown on the accompanying Form 412.

d. In column K of Form 410-A enter the word "Additional".

4. The **third** increase in the producer marketing quota, or, in cases where a red marketing card was issued in trust to the farm operator, the farm marketing quota, shall be entered on the second red marketing card in the manner outlined in item 2 of this paragraph.

5. If, as a result of the reapportionment of the producer marketing quotas, or an increase in the farm marketing quota, a refund was or will be made pursuant to section 704 of the regulations, the increase in the producer marketing quota or farm marketing quota shall be issued on Forms 412 and 413 as provided in this paragraph only for the amount by which the poundage on which a refund was or will be made is less than the amount by which the producer marketing quota or farm marketing quota is increased.

6. If, at the time of an intermediate or final reapportionment, a producer has marketed all cotton produced by or for him, the amount by which the producer marketing quota was increased shall not be issued on Forms 412 and 413 as provided in this paragraph. If all cotton was not marketed, red marketing cards for the amount by which the producer marketing quota or the farm marketing quota, as the case may be, was increased shall be issued only to the extent of the unmarketed cotton.

7. If the producer marketing quota of any producer to whom Form 412 was issued is decreased as a result of the apportionment or reapportionment of the farm marketing quota as set forth in section 304 of the regulations, the county committee shall, in accordance with section 502 (b) (2) of the regulations, alter the form Cotton 412 previously issued to such producer by striking through the amount of the producer marketing quota previously entered thereon and by entering the amount of the decreased producer marketing quota above the previous entry. In item 2 of the first set of unused Forms 413, the county committee shall enter the unused portion, if any, of the decreased producer marketing quota determined by subtracting the sum of the entries in item 3 of the executed Forms 413-a from the amount of the producer marketing quota as decreased. If there is no unused amount of the decreased producer marketing quota, the word "None" shall be entered in item 2 of the first set of unused Forms 413. The entries so made on Forms 412 and 413 shall be signed or initialed by a member of the county committee. If such a producer fails or refuses to have the Form 412 and Forms 413 so altered, the county committee shall cancel the Form 412 and Forms 413 in accordance with section 502 (b) (2) of the regulations.

5. The sum of all producer marketing quotas with respect to any farm as evidenced by Forms 412, exclusive of any canceled Forms 412, shall not exceed the amount of the farm marketing quota.

### Sec. 228. Issuing Blue Marketing Cards

(a) **Conditions under which blue marketing cards will be issued.<sup>12</sup>**—Blue marketing cards (Form 414), together with the ac-

<sup>12</sup> Sec. 503 of the regulations.

companying Forms 415, shall be issued for each producer on a farm who has two-cent carry-over penalty cotton which is to be marketed in connection with the farm.<sup>13</sup> A blue marketing card shall also be issued for a farm for which a cotton acreage allotment was established for 1940 but on which no cotton was planted in 1940 if two-cent carry-over penalty cotton will be marketed in connection with the farm, provided, however, that a blue marketing card for this purpose will only be issued for the amount of two-cent carry-over penalty cotton, which in addition to any three-cent carry-over penalty cotton, is in excess of the normal production of the farm acreage allotment. A blue marketing card will also be issued for the amount of the two-cent carry-over penalty cotton to a person who is not farming in 1940 or who is on a farm for which no cotton acreage allotment was established.

(b) **Appointment of operator to receive blue marketing card in trust for all producers.**<sup>14</sup>—In any case where a blue marketing card would be issued to more than one producer on a farm, a blue marketing card may be issued in trust to the operator of the farm if all producers who have two-cent carry-over penalty cotton and the operator execute an agreement to that effect on Form 424 and file it with the county committee. The agreement on Form 424 shall not be recognized if (i) any producer on the farm who has two-cent carry-over penalty cotton failed or refused to enter into the agreement and execute Form 424, (ii) blue marketing cards were issued to all producers prior to the time Form 424 was filed with the county committee, (iii) the issuance of a single blue marketing card to the operator for all producers would be inconsistent with the marketing practices followed on the farm, or (iv) it is indicated that the blue marketing card issued to the operator would not be used properly for each producer or that the rights of any producer would be prejudiced. The original of the executed Form 424 shall be filed in the folder for the farm. The issuance of a blue marketing card to the operator in trust for all producers will not otherwise change the execution of Form 450 or 450-A.<sup>15</sup>

(c) **Preparation of Form 410-A for blue marketing cards.**—A record of the issuance of all blue marketing cards and the related Forms 415 shall be kept on Form 410-A prepared in the original only as follows:

1. In the blank space in the title preceding the words "Marketing Cards" enter the word "Blue".

2. Tabulate on separate lines the data with respect to the issuance of Forms 414 and the books of Forms 415. Forms 414 and the data in connection with the issuance thereof shall be listed strictly in the numerical order of the serial numbers printed thereon. All Forms 414 to be issued to producers on the same farm shall be listed, insofar as possible, on Form 410-A on consecutive lines.

3. In the spaces indicated enter the State and county code, the page number, the name of the county, and the name of the State.

4. In column A enter the serial number of the farm.

5. In column B enter the name of the operator or producer to whom Form 414 and the related Forms 415 are issued.

<sup>13</sup> Sec. 505 (b) of the regulations and Sec. 225 (c) of these instructions.

<sup>14</sup> Sec. 503 (b) of the regulations.

<sup>15</sup> Secs. 224, 225, and 226 of these instructions.

6. In column D and E enter the first and last serial numbers, respectively, of Forms 415 which are in the same book and accompany the Form 414.

7. In column H enter the printed serial number of the Form 414 issued to the operator or producer.

(d) **Preparation of blue marketing cards.**—Each blue marketing card shall be prepared as follows:

1. In the space indicated enter the serial number for the farm and the names of the State and county and the code number therefor.

2. On the line beneath the space for the names of the State and county and the code number therefor enter a brief description of the farm if the producer for whom Form 414 is prepared has an interest in more than one farm, or if the county committee determines that a description of the farm is necessary.

3. In the blank space following the words "This is to certify that" write in words the amount of the two-cent carry-over penalty cotton as shown in column 5 of Form 450 or 450-A opposite the name of the producer to whom the blue marketing card will be issued, as for example, "Two Thousand". If the blue marketing card is to be issued in trust to the farm operator, enter the amount on line 11, column 5 of Form 450 or on line 4, column 5, of Form 450-A.

4. In the parentheses preceding the word "pounds" enter in figures the amount entered pursuant to item 3 above, as, for example, "2000".

5. In the space indicated print the name and full mail address of the farm operator.

6. In the space indicated print the name and full mail address of the producer or person to whom the blue marketing card will be issued. If the blue marketing card is to be issued to the farm operator, enter the word "Same".

(e) **Preparation of Forms 415.**—The Forms 415 accompanying each blue marketing card which is issued shall be prepared by the county office as follows:

1. All entries on Forms 415 which are to be made in the county office shall be made in indelible pencil except for the stamping of the address of the treasurer of the county committee on the postal-card copy (Form 415-b).

2. In the spaces indicated on **each** Form 415 enter (i) the farm serial number; (ii) the names of the State and county and the code number therefor; and (iii) the name and full mail address of the producer to whom issued.

3. In item 2 of the **first** set of Forms 415 in each book enter the number of pounds of two-cent carry-over penalty cotton which is shown on the Form 414 which accompanies the book of Forms 415.

4. On the address side of **each** Form 415-b stamp the full mail address of the treasurer of the county committee beneath the words "Treasurer of County Agricultural Conservation Committee."

(f) **Delivery of blue marketing cards.**—The county committee shall examine each Form 414, 415, and 410-A and, if found to be correct, a member thereof shall, on its behalf, sign Form 414 in the space provided and enter the date of his signature. The operator or producer to whom Forms 414 and 415 are issued shall receipt therefor by signing his name in column J of Form 410-A and enter the date of

his signature in column I thereof. The operator or producer to whom the blue marketing card is issued shall also countersign it on the line provided therefor at the time of receiving it and enter the date thereof opposite his signature.

(g) **Delivery of Forms 414 and 415 by mail.**—A blue marketing card and the accompanying Forms 415 may be delivered to the producer by use of the mail to the extent and subject to the limitations provided in section 219 (h) of these instructions in connection with white marketing cards.

(h) **Issuing additional blue marketing cards.**—In cases where the number of transactions in which a producer markets two-cent carry-over penalty cotton will be in excess of the number of sets of Forms 415 contained in the book accompanying the Form 414 issued to him, the county committee shall, upon request of the producer, issue an additional book of Forms 415 and the Form 414 accompanying it in the manner outlined in paragraphs (b), (c), (d), (e), (f), and (g) of this section, with the following exceptions:

1. The amount of the two-cent carry-over penalty cotton entered on the new Form 414 shall be the same as that shown on the previous Form 414. If the particular book is the second book issued to the producer, the word "Second" shall be entered on the face of Form 414. Similarly, the issue number of each subsequent book issued to a producer in accordance with the provisions of his paragraph shall be entered on the face of Form 414, as, for example, "Third" or "Fourth."

2. In item 2 of the first set of Forms 415 in the new book enter the **unmarketed** portion of the two-cent carry-over penalty cotton as shown in item 4 of the last Form 415-a contained in the book previously issued.

3. In column K of Form 410-A enter the words "Second" or "Third", as the case may be, and the serial numbers of the Forms 414 previously issued to the producer.

#### **Sec. 229. Issuing Red and Blue Marketing Cards for Cotton Pledged as Security for a Commodity Credit Corporation Loan<sup>18</sup>**

Any producer to whom a red marketing card and, where applicable, a blue marketing card was issued who desires to market cotton from a previous crop which is pledged as security for a Commodity Credit Corporation loan may be issued an additional marketing card to be used in connection with the cotton to be withdrawn from the loan. An additional red marketing card may be issued only for the amount of carry-over penalty free cotton which is being withdrawn and a blue marketing card may be issued only for the amount of two-cent carry-over penalty cotton which is being withdrawn. Any three-cent carry-over penalty cotton which is withdrawn must be marketed under the red marketing card otherwise issued to or for the producer. If an agreement on Form 424 was executed whereby a red or a blue marketing card was to be issued to the farm operator in trust for all producers, the additional marketing card covering cotton withdrawn

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<sup>18</sup> Sec. 504 of the regulations. A producer to whom a white marketing card was issued (see section 219 of these instructions) shall use the white marketing card in marketing cotton pledged to secure a Commodity Credit Corporation loan. See also Secs. 225 (c) and 226 (c) of these instructions.

from the loan shall likewise be issued to the farm operator. The red marketing card and corresponding Forms 413 shall be issued in accordance with the procedure outlined in paragraphs (b), (c), (d), (e), (f), and (g) of section 227 of these instructions, and blue marketing cards and corresponding Forms 415 will be issued in accordance with the procedure outlined in paragraphs (a), (b), (c), (d), (e), (f), and (g) of section 228, with the following exceptions:

1. The poundage to be entered in the blank space of Form 412 or 414 following the words "This is to certify that" shall be the net weight of the carry-over penalty free cotton or the net weight of two-cent carry-over penalty cotton, respectively, which the producer states is to be withdrawn from the loan and marketed.

2. In column K of Form 410-A enter the words "Loan cotton".

#### Sec. 230. Lost, Destroyed, or Stolen Red Marketing Cards or Blue Marketing Cards

In case any Form 412 and the accompanying Forms 413, or any Form 414 and the accompanying Forms 415 are lost, destroyed, or stolen, the county committee may reissue such forms to the producer in accordance with section 506 of the regulations. A copy of the notice of cancelation, other correspondents, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft, of such forms shall be filed in the folder for the farm. Form 412 and the book of Forms 413 shall be issued in accordance with the procedure contained in paragraphs (b), (c), (d), (e), (f), and (g) of section 227 of these instructions and Form 414 and the book of Forms 415 shall be issued in accordance with the procedure contained in paragraphs (a), (b), (c), (d), (e), (f), and (g) of section 228 of these instructions, with the following exceptions:

1. The amount of the producer marketing quota or farm marketing quota, as the case may be, entered on the new Form 412 and the amount of carry-over penalty cotton entered on the new Form 414 shall be the same as that shown on the lost, destroyed, or stolen Form 412 or Form 414, respectively, and the word "Duplicate" shall be stamped across the face thereof.

2. In item 2 of the first set of Forms 413 in the new book enter the unused portion, if any, of the marketing quota entered in Form 412. In item 2 of the first set of Forms 415 in the new book enter the unmarketed portion, if any, of the two-cent carry-over penalty cotton entered in Form 414. If there is no unused marketing quota the word "None" shall be entered in item 2 of the first set of Forms 413 in the new book. If there is no unmarketed carry-over penalty cotton, a new Form 414 and book of Forms 415 shall *not* be issued. In determining the amount of the unused portion of the marketing quota the county committee shall take into consideration the amount of cotton ginned and marketed by the producer as recorded on Forms 451 and 450 or 450-A together with any additional information which may be required.

3. In column K of Form 410-A enter the legend "Lost", "Destroyed", or "Stolen" opposite the entry showing the issuance of the duplicate Form 412 or Form 414.

4. The legend "Canceled—Lost", or "Canceled—Destroyed", or "Canceled—Stolen" shall be entered in column K of the Form 410-A opposite the serial number of the lost, destroyed, or stolen Forms 412 and 413 or Forms 414 and 415.

### Sec. 231. Cancellation of Red Marketing Cards or Blue Marketing Cards Issued in Error

In case any Form 412 or Form 414 is erroneously issued, the county committee shall cancel it in accordance with section 507 of the regulations. A copy of the notice of cancellation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancellation shall be filed in the folder for the farm. The legend "Canceled" shall be entered in column K of Form 410-A opposite the serial number of the canceled Form 412 or Form 414. The legend "Canceled" shall be entered across the Form 412 or Form 414 and each Form 413 and 415 accompanying it.

### Sec. 232. Reports of Cotton Marketed

(a) **Audit of Forms 413-b.**—Each Form 413-b received in connection with the marketing of cotton shall be audited as follows to determine whether it has been correctly prepared:<sup>17</sup>

1. If the amount of cotton marketed as shown in item 3 of the first Form 413-b in the book accompanying the red marketing card is less than the producer or farm marketing quota shown in item 2 thereof, the difference must be correctly entered in item 4. Each subsequently executed Form 413-b in the book must be compared with the preceding Form 413-b to determine whether the entry in item 4 of the preceding Form 413-b has been correctly brought forward to item 2. If the balance of the marketing quota as shown in item 4 has not been correctly brought forward on the succeeding Form 413-b, or if an error has been made in deducting the amount of cotton marketed in a particular transaction from the unused portion of the marketing quota, the producer shall be notified of the error and requested to bring his red marketing card to the county office for correction. The corrected unused portion of the marketing quota shall then be entered in item 2 of the first unused set of Forms 413 and the entry initialed by a member of the county committee or by its secretary or treasurer. If the error caused the computation in items 5 and 6 of a penalty less than that actually incurred, the error shall be explained to the buyer and the buyer shall be requested to remit the necessary additional amount.

2. If the amount of cotton marketed under the first or any subsequent Form 413 is greater than the entry in item 2 thereof, the amount of cotton marketed in excess of the marketing quota must be correctly shown in item 5 and the amount of the penalty incurred in respect thereto at the rate of **3 cents** per pound must be correctly shown in item 6.<sup>18</sup> If the penalty actually incurred is greater than the amount in item 6, the buyer and the producer must be notified of the correct amount of the penalty, and if the buyer has not already

<sup>17</sup> Secs. 603, 802 (e), 803, and 805 (c) of the regulations.

<sup>18</sup> See the last sentence of Sec. 701 of the regulations.

remitted the correct amount of the penalty he shall be requested to do so.<sup>19</sup>

3. The gin bale numbers or marks or the pounds of seed cotton must be shown in item 7 of Form 413-b. The buyer and producer shall be notified of the error in the event they are not shown and shall be requested to furnish the gin bale numbers or marks or the pounds of seed cotton. The gin bale numbers or marks may be compared with the gin bale numbers or marks appearing in the heading of columns (e) through (r) of Form 354 or in Form 451. This should be helpful in determining the proper execution of item 9 of Form 413.

4. The date of the transaction should appear in item 8 of Form 413-b.

5. The name of each producer who has a share in the cotton marketed and the amount of his share therein, expressed in pounds, must appear correctly in item 9 of Form 413-b or in an attached list. If the name of only the producer to whom the red marketing card was issued appears in item 9, no exception thereto shall be made by the county office if it is indicated that his share of the cotton grown by him is determined prior to the time of marketing and divided so that the share of the landlord or operator, or both, are marketed separately. If not, he shall be requested to furnish the names and shares of the other interested producers. If the amount of cotton covered by Form 413-b, together with the amounts previously marketed, is in excess of the producer's share in the cotton produced on the farm as shown by Forms 416 and 426, or by gin bale receipts or tickets, and the producer's name appears in item 9, the producer shall be requested to furnish the name of the producer for whom the cotton was marketed or requested to explain the difference between the ginner's and buyer's reports. If the red marketing card was issued to the operator in trust for all producers and the name of the operator alone appears in item 9, he shall be requested to furnish a satisfactory explanation setting forth the fact that he was the sole person interested in the cotton covered thereby or he must be required to furnish the name of each producer who had a share in the cotton marketed and the amount of each producer's share.

6. Items 10 and 11 of Form 413-b must be correctly executed by the producer and the buyer or transferee.

7. If a Form 426 is received during the month which indicates that cotton was sold in the seed by a producer to whom a red marketing card was issued, and the related Form 413-b (or Form 415-b) was not received within 15 days after the date the cotton was marketed, the buyer and producer shall be requested to furnish a correctly executed Form 413-b (or Form 415-b).<sup>20</sup>

8. If it is indicated from the serial numbers of the Forms 413-b received that a Form 413-b which was executed was not submitted to

<sup>19</sup> Sec. 703 (a) of the regulations and paragraphs (c) and (i) of Sec. 233 of these instructions.

<sup>20</sup> Form 426 is in addition to the report on Form 413 or Form 415. If cotton is sold in the seed by a producer to whom a red marketing card was issued, the buyer shall execute and submit both Forms 413-b and 426. If the buyer is also the ginner, he is required, in addition, to submit a report on Form 416 or 416-A. See paragraph F on the reverse side of Form 416. This should be observed particularly in the case of "toll" or "remnant" cotton. Where cotton is identified by a white marketing card, the reports on Forms 426 and 416 only are required.

the county office, that is, the serial numbers of the Forms 413-b received are not in consecutive order, the producer shall be so notified and requested to furnish the name of the buyer or transferee who executed the missing Form 413-b. The buyer or transferee shall then be requested to submit the Form 413-b executed by him.<sup>21</sup>

(b) **Preparation of Form 355 for Form 413-b.**<sup>22</sup>—It shall not be necessary to prepare Form 355 where **only one** producer has an interest in the cotton marketed, nor shall it be necessary to prepare it when more than one producer has an interest in the cotton marketed and all of it is marketed subject to penalty, since the entry to be made on line (b) in the columns headed "Amount" of columns 38 through 56 of Form 450, or columns 16 through 26 of Form 450-A, in the first instance will be the entry in item 6 of Form 413-b and in the second instance will be the product obtained by multiplying by 3 cents the share of each producer in the cotton marketed as shown in item 9 (or a continuation thereof on an attached list) of Form 413-b. If a penalty was incurred with respect to a portion but not all of the cotton covered by a Form 413-b and more than one producer had an interest in the cotton marketed, Form 355 shall be executed as follows:

1. In the space indicated enter the farm serial number. In the space provided after the words "Serial number of form Cotton 313" enter the serial number of the Form 413-b and change the printed designation "313" on Form 355 to "413".
2. In column (a) enter the name of each producer who had an interest in the cotton marketed as shown in item 9 (or a continuation thereof on an attached list) of Form 413-b.
3. In column (b) opposite the name of each producer enter his share, expressed in pounds, in the cotton marketed and, on the total line in column (b), enter the total amount of cotton marketed in the particular transaction.
4. On the total line in column (c) enter the amount of the penalty as shown in item 6 of Form 413-b.
5. Divide the entry on the total line in column (c) by the entry on the total line in column (b) and enter the quotient (carried to four decimal places) in the space provided in the heading of column (c).
6. Multiply the entry in the heading of column (c) by the entry in column (b) opposite each producer's name and enter the product in column (c). The sum of the entries in column (c) must equal the amount on the total line thereof.
7. Form 355 shall be attached to the Form 413-b to which it relates and the amounts to be recorded on line (b) in the columns headed "Amount" of columns 38 through 56 of Form 450, or columns 16 through 26 of Form 450-A, shall be taken from column (c) of Form 355.
- (c) **Audit of Form 413-b.**<sup>23</sup>—Producers will find it advantageous to use their red and blue marketing cards in the following order in marketing their cotton: First, use the red marketing card in marketing cotton up to the amount of the producer or farm marketing

<sup>21</sup> Sec. 802 (j) and 802 (l) of the regulations.

<sup>22</sup> Sec. 225 (f) 5 and 226 (f) 4 of these instructions.

<sup>23</sup> Secs. 604, 802 (f), 803, and 805 (c) of the regulations.

quota shown thereon (no penalty will be incurred on such cotton); second, use the blue marketing card for subsequent amounts until an amount equal to the two-cent carry-over penalty cotton is marketed (such cotton will be subject to the 2 cent penalty); and third, by using the red marketing card for the balance of their cotton. Each Form 415-b shall be audited as follows to determine whether it has been correctly prepared in connection with the cotton identified at the time of marketing by the blue marketing cards:

1. If the amount of cotton marketed as shown in item 3 of the first Form 415-b in the book accompanying the blue marketing card is less than the amount of two-cent carry-over penalty cotton shown in item 2 thereof, the difference must be correctly entered in item 4. Each subsequently executed Form 415-b in the book must be compared with the preceding Form 415-b to determine whether the entry in item 4 of the preceding Form 415-b has been correctly brought forward to item 2. If the balance of the unmarketed two-cent carry-over penalty cotton as shown in item 4 has not been correctly brought forward on the succeeding Form 415-b or if an error has been made in deducting the amount of cotton marketed in a particular transaction from the amount of two-cent carry-over penalty cotton, the producer shall be notified of the error and requested to bring his blue marketing card to the county office for correction. The corrected unmarketed portion of the two-cent carry-over penalty cotton shall be entered in item 2 of the first unused set of Forms 415 and the entry initialed by a member of the county committee or by its secretary or treasurer.

2. The entry in item 6 *a*. of Form 415-b must be **2 cents** times the smaller of the amounts shown in item 2 and item 3 thereof.

3. If the amount of cotton marketed under the first or any subsequent Form 415 is greater than the entry in item 2 thereof, the amount of cotton marketed in excess of the amount of carry-over penalty cotton must be correctly shown in item 5 and the amount of the penalty incurred in respect thereto at the rate of **3 cents** per pound must be correctly shown in item 6 *b*.

4. If the amount of the penalty actually incurred is not correctly shown in items 6 *a* and 6 *b*, the buyer and the producer must be notified of the correct amount of the penalty, and, if the buyer has not already remitted the correct amount of the penalty, he should be notified to do so.<sup>24</sup>

5. The gin bale numbers or marks or the pounds of seed cotton must be shown in item 7. The buyer and the producer shall be notified of the error in the event they are not shown and shall be requested to furnish the gin bale numbers or marks or pounds of seed cotton.

6. The date of the transaction must appear in item 8 of Form 415-b.

7. The name of each producer who has a share in the cotton marketed and the amount of his share therein, expressed in pounds, must appear correctly in item 9 of Form 415-b or in a continuation thereof on an attached list.<sup>25</sup>

8. Items 10 and 11 of Form 415-b must be correctly executed by the producer and buyer or transferee.

<sup>24</sup> Sec. 703 (a) of the regulations and paragraphs (c) and (i) of Sec. 233 of these instructions.

<sup>25</sup> Secs. 225 (f) and 226 (f) of these instructions.

9. If it is indicated from the serial numbers of Forms 415-b that a Form 415-b has been executed and was not submitted to the county office, that is, the serial numbers for Forms 415-b received are not in consecutive order, the producer shall be so notified and requested to furnish the name of the buyer or transferee who executed the missing Form 415-b. The buyer or transferee shall then be requested to submit the Form 415-b.<sup>26</sup>

(d) **Preparation of Form 355 for Form 415-b.**<sup>27</sup>—If the penalty of only 2 cents per pound, or a penalty of only 3 cents per pound, was incurred with respect to a transaction covered by Form 415-b, and one or more producers had an interest in the cotton marketed, the number of pounds of cotton to be recorded on Form 450 or 450-A opposite the name of each producer who had an interest in the cotton covered thereby shall be the amount shown opposite his name in item 9 (or a continuation thereof on an attached list) of Form 415-b and the amount of the penalty shall be 2 cents or 3 cents, as the case may be, times such number of pounds. If only one producer had an interest in the cotton covered by Form 415-b and a portion thereof was marketed subject to the penalty of 2 cents per pound and a portion thereof was marketed subject to the penalty of 3 cents per pound, the sum of the entries in items 6 a. and 6 b. of Form 415-b shall be entered on Form 450 opposite the producer's name in the columns headed "Amount" of columns 38 through 56, or columns 16 through 26 of Form 450-A. If a portion of the cotton covered by Form 415-b was marketed subject to the penalty of 2 cents per pound and a portion thereof was marketed subject to the penalty of 3 cents per pound and more than one producer had an interest in the cotton marketed, Form 355 shall be prepared as follows:

1. In the spaces indicated enter the farm serial number. In the space provided after the words "Serial number of form Cotton 315", enter the serial number of Form 415-b and change the printed designation "315" on Form 355 to "415".

2. In column (a) enter the name of each producer who had an interest in the cotton marketed.

3. In column (b) opposite the name of each producer enter his share, expressed in pounds, in the total amount of cotton marketed as shown in item 9 (or in a continuation thereof on an attached list) on Form 415-b and, on the total line in column (b), enter the total amount of cotton marketed in the particular transaction.

4. On the total line in column (c) enter the total amount of the penalty at the rates of 2 cents and 3 cents as shown in items 6 a. and 6 b. of Form 415-b.

5. Divide the entry on the total line in column (c) by the entry on the total line in column (b) and enter the quotient (carried to four decimal places) in the space provided in the heading of column (c).

6. Multiply the entry in the heading of column (c) by the entry in column (b) opposite each producer's name and enter the product in column (c). The sum of the entries in column (c) must equal the amount on the total line thereof.

7. Form 355 shall be attached to the Form 415-b to which it relates and the amounts to be recorded on line (b) in the columns headed

<sup>26</sup> Secs. 802 (j) and 802 (l) of the regulations.

<sup>27</sup> Secs. 225 (f) 5 and 226 (f) 4 of these instructions.

"Amount" of columns 38 through 56 of Form 450, or columns 16 through 26 of Form 450-A shall be taken from column (c) of Form 355.

(e) **Controversies between producers as to the amount of penalty paid by each producer.**<sup>28</sup>—The amount of the penalty paid by each producer determined as indicated in the foregoing paragraphs of this section shall, if the interest of each producer in the cotton marketed is properly shown in item 9 (or in the continuation thereof on an attached list) of Form 413-b or Form 415-b, be presumed to be correct. This presumption is based upon the fact that, as a general rule, the producers having an interest in the cotton marketed will distribute the net proceeds of the cotton (the market price of the cotton, less the amount of the penalty) among them as they share in the cotton. Where this procedure is followed, each producer bears the burden of the penalty in proportion to his share in the crop as fully as though he paid the penalty from his personal funds. If any producer claims, or it is shown by the farm operator's report on Form 417, that the amount of the penalty actually paid by him with respect to any transaction covered by Form 413-b or Form 415-b is in excess of the amount shown for him on Form 355 or determined by multiplying the entry opposite his name in item 9 of Form 413-b or Form 415-b by 3 cents or 2 cents, as the case may be, it shall be incumbent upon the producer, or the operator, alleging the payment of a different amount to establish all facts in connection therewith and to show that he has not been reimbursed therefor. Before the computation of the penalty paid by a producer as recorded on Form 450 or 450-A is changed to show that a producer paid a larger amount of penalty and that another producer has paid a smaller amount of penalty in respect to a transaction, the producer who it is claimed has paid a smaller amount must file a written statement setting forth the amount of the penalty actually paid by him in respect to the transaction. If it is established that the producers shared in the cotton marketed in a manner other than that shown in item 9 of Form 413-b or 415-b, the amount of the penalties paid by each producer shall be changed in accordance with the presumption referred to above. The amount of cotton marketed and the penalties paid by each producer must be correctly entered in column 58 of Form 450 or column 28 of Form 450-A and the amounts thereof must agree with the farm operator's report before any refund is made.

(f) **Form 411-A.**<sup>29</sup>—When Form 411-A-b is received in the county office, the county office shall examine the information appearing thereon to determine whether it has been properly executed by the producer to whom issued and by the buyer or transferee. If Form 411-A-b has been properly executed it shall be filed in the folder for the farm. If it has been improperly executed, the buyer and the producer shall be required to properly execute Form 411-A.

(g) **Postage in connection with Forms 411-A-b, 413-b, 415-b, and 321-b.**—The Post Office Department has authorized postmasters

<sup>28</sup> Sec. 704 (b) of the regulations and Secs. 225 (f) 5 and 9; 225 (h); 226 (f) 4 and 8; 226 (h); 232 (b); 232 (d); and 234 of these instructions.

<sup>29</sup> Secs. 501 (c), 602 (b), 802 (d), and 805 (b) of the regulations and Sec. 220 of these instructions.

to arrange with treasurers of the county committees to collect the postage due on Forms 411-A-b, 413-b, 415-b, and 321-b<sup>30</sup> in two ways; namely, (1) to collect the postage due on each card or group of cards at the time of delivery to the treasurer of the county committee or (2) to collect once a month the postage due on all cards delivered to the treasurer of the county committee during the month. Regular postage stamps cannot be used in connection with the cards since the Postal Laws and Regulations require the use of postage-due stamps. Postage-due stamps cannot be purchased in advance and regular postage stamps cannot be exchanged for postage-due stamps. In case cards are delivered, the postage-due stamps will be affixed to Form 3582a "Postage Due Bill", and, if necessary, Form 3582a-F, "Postage Due Bill Follow Sheet", and delivered with the cards to the treasurer of the county committee upon payment of the postage. **The treasurer should request that the stamps be affixed to Form 3582a or Form 3582a-F rather than to the business reply cards.** Where the postage is collected at the end of the month, the postmaster will affix postage-due stamps to Forms 3582a and 3582a-F and tender them to the treasurer of the county committee for payment. In either case, the postage due must be paid upon presentation of the postage-due bill and the payment **cannot** be deferred until the administrative expense voucher covering the item is paid.

(h) **Reimbursement for postage expenses incurred in connection with Forms 411-A-b, 413-b, 415-b, and 321-b.**—The funds for paying the postage in connection with the postal-cards on Forms 411-A-b, 413-b, 415-b, and 321-b under either of the methods outlined in paragraph (g) of this section may be furnished by the treasurer of the county committee out of his personal funds or a claim therefor may be stated in advance for the estimated amount to be incurred against the administrative expense funds approved in the budget of the county committee. In case the postage due on the business reply cards is paid out of the personal funds of the treasurer of the county committee a claim for reimbursement should be made by him on Form ACP-9, Revised, in the regular manner. If the possible number of business reply cards to be received in any month will not be large, this method would appear to be desirable since it conforms to the established procedure for supplying the county committee with postage. If the possible number of cards to be received in any month will be large, a claim for the estimated amount of postage expense to be incurred may be stated in the administrative expense voucher for the preceding month. In stating a claim in advance for this purpose, the item should be listed on Form ACP-9, Revised, as in the case of other miscellaneous items, with the following exceptions:

1. In the column headed "Name of individual or firm", enter the name, title, and address of the postmaster from whom the postage-due stamps will be purchased.
2. In the column headed "Nature of services or kind of material", enter the words "Estimated postage for cotton marketing quota business reply cards".

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<sup>30</sup> See Sec. 237 for the use of Forms 321-b.

3. Make no entry in the columns headed "Quantity" and "Price per unit".

When an advance claim is so stated, no receipt or bill will accompany the statement of administrative expenses to substantiate the item. This modification of the procedure is limited to cases of this **precise** nature and shall not be authorized or used in connection with any other item of administrative expense of the county committee unless specific authorization for the procedure is given. Where payment for the postage due is paid out of the personal funds of the treasurer of the county committee and he is reimbursed out of the administrative expense funds in accordance with the established procedure, Forms 3582a and 3582a-F to which the canceled postage-due stamps are affixed shall be filed with the county office copy of the Form ACP-11 containing the receipt from the treasurer of the county committee for the funds paid to him under his claim for expenses in connection with the postage. Where a claim in advance is made for the estimated amount of the postage expense to be incurred in this connection, a receipt from the postmaster on Form ACP-11 must be secured. If the actual amount of the postage due on the cards during the month does not agree with the estimate and the amount advanced, Form ACP-11 must be modified so that the receipt to be obtained from the postmaster will be for the amount of the postage expense actually incurred during the month and paid. Form 3582a and 3582a-F must be filed with the county office copy of Form ACP-11 containing the receipt from the postmaster. (In the East Central region, expenses in connection with postage for such forms shall be paid out of the administrative expense funds of the association in accordance with existing procedure as set forth in ECR-ADM-222, issued Sept. 12, 1938).

### Sec. 233. Record of Funds Received in Connection with the Penalties

(a) **Time and form of remittance.**<sup>31</sup>—The penalty is due at the time the cotton is marketed,<sup>32</sup> but may be remitted to the treasurer of the county committee at any time within the 15 calendar days next succeeding the day on which it was marketed.<sup>33</sup> The penalty shall be remitted only in legal tender or in the form of checks, drafts, or money orders made payable to the order of the **Treasurer of the United States**.<sup>34</sup> A single remittance may cover several transactions covered by different Forms 413-b or Forms 415-b. If the funds are in the form of cash, the treasurer of the county committee shall purchase a postal money order in the amount thereof, payable to the order of the **Treasurer of the United States**. The expenses in connection with purchasing the postal money orders shall be paid from funds provided for the administrative expenses of the county

<sup>31</sup> No attempt is made at this point to give the entire substance of Part VII of the regulations and each section thereof shall be carefully read in connection with this section of the instructions.

<sup>32</sup> Sec. 702 (a) of the regulations.

<sup>33</sup> Sec. 703 (a) of the regulations.

<sup>34</sup> Sec. 703 (b) of the regulations.

agricultural conservation association.<sup>35</sup> Each check, draft, or money order shall be received subject to collection and payment at par.<sup>36</sup>

(b) **Issuance of receipts for funds received in connection with the penalties.**<sup>37</sup>—The treasurer of the county committee shall issue a receipt to the person remitting the penalty. The receipt shall be on Form 419 (unless Form 419-A is issued as provided in paragraph (g) of this section). Form 419 shall be executed in **triplicate**. The original shall be delivered to the remitter, the duplicate (yellow copy) forwarded to the State office together with Form 359, and the triplicate (salmon copy) retained in the county office in a folder for each consecutive unit of 50 receipts in numerical sequence. Each Form 419 shall be executed as follows:

1. In the space provided enter the State and county code number and the marketing year which shall be designated by the symbol "1940-1491".

2. Above the words "Name of remitter" and "Full mail address", enter the name and address, respectively, of the person from whom the treasurer received the remittance.

3. In the space following the words "the sum of" enter, in writing, the amount of the remittance, as, for example, "Twenty-five and no/100".

4. Draw a line through the words "as security for payment of the penalty".

5. In column 1 enter the serial number for each farm in connection with which the remittance was made.

6. In column 2 enter the printed serial number of each Form 413-b or 415-b covering the transactions for which the remittance was made. The serial number so entered shall be preceded by the designations "CR" or "CB" as the case requires. If the cotton was not identified at the time the cotton was marketed, or if Form 413-b or 415-b is not received, enter in column 2 in lieu of the serial number of Form 413-b or 415-b, the letters "N-I".<sup>38</sup>

7. In column 3 enter the name of the producer whose name appears in item 1 of the Form 413-b or 415-b or from whom the buyer or transferee purchased or received unidentified cotton.

8. In column 4 enter, in the case of Form 415-b *only*, the smaller of the amounts in items 2 and 3 thereof, and, opposite the word "Total" on the front of the receipt, enter the sum of the entries in column 4 on both the front and reverse side of the receipt.

9. In column 5 enter, in the case of Form 413-b or Form 415-b or reports of unidentified cotton, the amount in item 5 thereof and, opposite the word "Total" on the front of the receipt, enter the sum of the amounts in column 5 on both the front and reverse side of the receipt.

10. In column 6 enter the amount of the remittance received in connection with each farm and, opposite the word "Total" on the

<sup>35</sup> See the second and third sentences of Sec. 705 of the regulations.

<sup>36</sup> Sec. 703 (b) of the regulations.

<sup>37</sup> Sec. 703 (a) of the regulations.

<sup>38</sup> Secs. 601, 802 (c), and 802 (i) of the regulations. The buyer or other remitter is not required to submit the reports on Forms 413-b or 415-b or the reports of unidentified cotton to the treasurer of the county committee at the time the penalty is remitted. Since the time for submitting reports and remitting penalties are the same, it would appear that buyers and others would tender them to the treasurer of the county committee at the same time and should be encouraged to do so.

front of the receipt, enter the sum of the entries in column 6 on both the front and reverse sides of the receipt. The total of column 6 must agree with the total amount of the remittance received.

11. If the funds received are in the form of cash, or partly in the form of cash, enter the word "Cash" in column B and enter the amount thereof in column D. On the first and second copies (not on the original) enter in column B the letters "USPMO" followed by the name of the post office from which the treasurer of the county committee obtained the postal money order for the amount of the cash and in column A enter the date thereof.

12. If the remittance is in the form of a check, draft, or money order, the checks, drafts, or money orders shall be described in the receipt as follows:

- a. In column A enter the date of the check, draft, or money order.
- b. In column B enter the name of the person who signed the check or draft or who obtained the money order.
- c. In column C enter the name of the bank or firm or person on which the check or draft was drawn, or in the case of a postal money order, the letters "USPMO" followed by the name of the issuing post office.
- d. In column D enter the amount of the check, draft, or money order or the funds received in the form of cash, and opposite the word "Total", enter the sum of the entries made therein.

13. The treasurer of the county committee shall sign the original and two copies and enter the date of his signature.

14. In the heading of the triplicate (salmon copy) to be retained in the county office, enter the transmittal number of the Form 359 on which it is scheduled as provided in paragraph (e) of this section.

(c) **Receipts where amount remitted is less than amount due.**—In each case where the amount of the money received as the penalty is less than the amount which should have been remitted by the buyer or transferee, a receipt on Form 419 for the amount actually received shall be issued to the remitter. The Form 419 shall be prepared in every respect as outlined in paragraph (b) of this section with the following exceptions which are applicable only to the execution of column 6 of Form 419:

1. **A single Form 413-b or 415-b.**—In the case of a remittance intended to cover a transaction shown on a single Form 413-b or 415-b, or a report in connection with cotton not identified by a marketing card or certificate, there shall be entered in column 6 of Form 419 the amount of the remittance actually received.

2. **Incorrectly executed Form 413-b or 415-b.**—In cases where either Form 413-b or 415-b is executed incorrectly and shows in item 6 thereof the collection of an amount smaller than the penalty actually incurred, there shall be entered in column 6 of Form 419 the erroneous amount shown in item 6 of Form 413-b or 415-b to have been collected for the farm.

3. **Several correctly executed Forms 413-b or 415-b.**—In case several correctly executed Forms 413-b or 415-b, or both, are accompanied by a remittance from the buyer or transferee which is less than the sum of the amounts shown in item 6 of Forms 413-b or 415-b to have been collected from the producers, the deficiency in the amount of the remittance shall, unless the buyer otherwise directs, be charged to the Forms 413-b or 415-b intended to be covered by the remittance in the

inverse order of the dates of sale covered thereby and so recorded in column 6 of Form 419. For example, if a remittance for \$10.00 less than the penalty incurred on Forms 413-b or 415-b for sales on September 1, September 5, September 7, and September 11 is received, the deficiency will first be charged to the September 11 sale, up to but not in excess of the penalty incurred in that sale, and then any balance of the deficiency will be charged to the September 7 sale, up to but not in excess of the penalty incurred in that sale, and so on until the total deficiency is absorbed as follows: If the penalty actually incurred on the September 11 sale is \$5.00 and on the September 7 sale is \$15.00, the entry in column 6 of Form 419 for the September 11 sale will be zero and for the September 7 sale will be \$10.00 and the entries for the remaining sales will be for the full amount of the penalties incurred.

4. **Subsequent remittance of deficiency.**—When the deficiency, or part thereof, is remitted, a new Form 419 for the amount of the deficiency received shall be prepared. The Forms 413-b or 415-b charged with the deficiency, or a part thereof, shall be described in the new Form 419 in the manner provided in paragraph (b) of this section except that the word "Additional" shall be entered directly above the farm serial number and the entry in column 6 therefor will be the additional amount remitted.

(d) **Receipts where amount remitted is more than amount due.**—In cases where the total amount of money received from a particular buyer is in excess of the penalties incurred as reflected by Forms 413-b or 415-b or the reports in connection with cotton not identified by a marketing card or certificate, a receipt on Form 419 for the amount actually received shall be issued to the remitter. The Form 419 shall be prepared in every respect as outlined in paragraph (b) of this section with the following exceptions:

1. A record of each Form 413-b and 415-b and report of unidentified cotton shall be made in columns 1 through 5 of Form 419 and the amount shown to have been collected in connection therewith shall be entered in column 6.
2. In column 1, after listing the information on Forms 413-b and 415-b and reports of unidentified cotton, enter the word "Suspense".
3. In column 6 opposite the word "Suspense" enter the amount of the payment which is in excess of the amount indicated by the reports.

4. Columns A through D shall be executed to describe the remittance as received.

(e) **Deposit of funds.**—All funds received by the treasurer of the county committee in connection with the marketing of cotton shall be transmitted by him on the day received, or not later than the morning of the succeeding day, to the secretary of the State committee.<sup>39</sup> The funds received during a day shall be scheduled for transmittal on Form 359 prepared in triplicate. The original and first carbon copy (the yellow copy) shall be forwarded to the State office together with checks, drafts, and money orders and the copies of Forms 419 (the yellow copy thereof) and 419-A (the salmon copy thereof) described therein. The second carbon copy of Form 359 (the salmon copy) shall be retained in the county office in a pending file. The original will be returned as a receipt from the State office and the original shall then be

<sup>39</sup> See the first sentence of Sec. 705 of the regulations.

filed in a folder in the numerical order of the transmittal numbers. The yellow copy shall be filed with the copies of the Forms 419 described therein. Form 359 shall be prepared as follows:

1. In the spaces indicated enter (i) the transmittal number, beginning with 1 for the first schedule and containing thereafter in numerical sequence for the marketing year, (ii) the State and county code number, (iii) the sheet number and total number of sheets in the schedule, and (iv) the marketing year, that is "1940-1941".

2. In either column 1, column 4, or column 7 enter the printed serial numbers of Forms 419 and delete the designation "319" which is printed in the heading of the column and insert in lieu thereof "419". The printed serial numbers of Forms 419 shall be listed in consecutive order in numerical sequence.

3. In either column 2, column 5, or column 8 enter the printed serial numbers of Forms 419-A and delete the designation "319-A" which is printed in the heading of the column and insert in lieu thereof "419-A". The printed serial numbers of Forms 419-A shall be listed in consecutive order in numerical sequence after Forms 419 have been listed.

4. In either column 3, column 6, or column 9 enter the amount covered by each Form 419 and 419-A. After the word "Total" in column 9 enter the sum of the entries in columns 3, 6, and 9.

5. The treasurer of the county committee shall execute Part I by signing his name on the original and two copies and entering thereon the date of his signature and by altering the reference therein to "Forms Cotton 319 and 319-A" so that it will read "Forms Cotton 419 and 419-A".

(f) **Record on Form 356 of funds received.**—The funds received shall be recorded on Form 356 as follows:

1. Alter the reference to the marketing year in the heading of the form to read "1940-1941 Marketing Year".

2. In column (10) enter the date on which the funds were received as indicated by the date of the Form 419.

3. Make no entry in column (11).

4. In column (12) enter the printed serial number of the Form 419. If the receipt covers remittances for more than one farm, make only one entry in column (12) for all of the farms covered thereby.

5. In column (13) enter on separate consecutive lines the farm serial number of **each** farm as shown on Form 419.

6. In column (14) enter on separate consecutive lines the amount of the funds received for **each** farm as shown on the Form 419.

7. In column (15) enter the transmittal number of the Form 359 on which the funds were transmitted to the State office.

8. If the checks, drafts, or money orders received are not honored upon presentment for payment, a **contra entry in red** duplicating the information previously entered in Part II of Form 356 shall be made in columns (10) through (15) thereof. If a **contra entry in red is made**, the total of column (14) of Form 356 shall be the sum of the other entries therein minus the sum of the contra entries.

9. If subsequently the amount of the dishonored checks, drafts, or money orders is remitted, the procedure outlined above in this subsection shall be followed.

10. If the receipt on Form 419, as provided in paragraph (c) of this section, lists a farm for which no entry appears in column 6, no entry shall be made on Form 356 for the farm. The unpaid penalty for the farm and the reference to the Form 419 issued in connection therewith shall be entered on Form 356 when it is remitted.

11. If the word "Suspense" was entered in column 1 of Form 419, as provided in paragraph (d) of this section, enter the word "Suspense" in column (13) in lieu of the farm serial number.

(g) **Payment of the penalty prior to the marketing of cotton.**—If a producer to whom a red or blue marketing card was issued tenders the penalty, for which he would be liable upon the marketing of any cotton, prior to the time such cotton is marketed, as provided in section 702(c) of the regulations, the treasurer of the county committee shall receive the penalty and issue a receipt therefor on Form 419-A, prepared in quadruplicate, distributed, and dealt with as follows:

1. A separate receipt shall be prepared for each bale of cotton with respect to which the penalty is tendered.

2. In the spaces indicated enter the printed serial number of the producer's Form 412 or 414, as the case may be, and the State and county code number, and the marketing year, that is, 1940-1941.

3. Above the words "Name of producer" and "Full mail address" enter the name and address, respectively, of the producer.

4. In the space following the words "the sum of" enter, in words, the amount of the penalty paid, as, for example, "Fifteen and no/100".

5. In the space following the words "one bale containing" enter the net weight of the bale of cotton with respect to which the penalty is tendered.

6. In the space following the words "or mark" enter the gin bale number or mark of such bale.

7. In the space following the words "Serial No." enter the serial number of the farm.

8. After the dollar mark above the word "Amount" enter, in figures, the amount of the penalty tendered with respect to such bale, which must agree with the amount thereof entered in words in the body of Part I.

9. The treasurer of the county committee shall sign the original and the three copies and enter on each the date of his signature.

10. The producer shall sign his name in the space indicated on the original and the three copies and enter on each the date of his signature.

11. The original and first copy (yellow copy) shall be delivered to the producer and the third and fourth copies (salmon and green copies) retained by the treasurer of the county committee.

12. The funds received shall be scheduled for deposit in the special deposit account, as provided in paragraph (e) of this section, and the information shown on the Form 419-A shall be posted to Form 356 in the manner outlined in paragraph (f) of this section except that the printed serial number of Form 419-A in column (12) thereof shall be preceded by the letter "A".

13. Form 419-A shall be placed in a pending file until the related Form 413-b or 415-b is returned to the county office by the buyer,

transferee, or producer. The data on Form 413-b or 415-b and the related Form 419-A shall be posted to Form 450 or 450-A as provided in sections 225 (f) and 226 (f) of these instructions. The fourth copy of Form 419-A shall then be filed in a folder for each consecutive unit of 50 receipts in numerical sequence.

(h) **Uncollectible items.**—If any check, draft, or money order is not honored upon presentment for payment, the check, draft, or money order will be returned to the treasurer of the county committee. The treasurer of the county committee shall notify the drawer of the check or draft or the person who obtained the money order of the return of the item and of the reasons therefor and he shall be requested to make an acceptable remittance in the amount due. A **contra entry in red** duplicating the information previously entered on Form 450 or 450-A in connection with the remittance shall be made. A similar contra entry in red shall be made on Form 356. The total of the original Form 359 shall be lined out and the original total thereof less the total amount of the uncollectible items shall be entered in lieu thereof and the entry initialed and dated by the treasurer of the county committee. Enter the word "Uncollectible" opposite the entry for the uncollectible item on Form 359. A new remittance replacing the one previously returned as being uncollectible shall be handled in every respect as if it were an original item with the exception that a notation shall be made in the body of the new Form 359 that the remittance represents the recovery of the amount of the uncollectible remittance previously scheduled under transmittal No. — of Form 359, and schedule No. — of Standard Form No. 1044, Revised, and for which the receipt on Form 419 (or 419-A) No. — was issued.

(i) **Marketing quota indebtedness register.**—A register of indebtedness shall be established for all cases where the buyer's remittance is less than the amount of the penalty incurred and where no remittance is received for a penalty incurred. A separate Form 356 shall be used for this purpose after the title thereof is altered to read "1940-1941 Marketing Year—Marketing Quota Indebtedness Register". The detailed execution of the indebtedness register shall be as follows:

1. In column (1) enter the date on which the county office received the Form 413-b or 415-b or report of unidentified cotton which is charged with a portion or all of the deficiency or unpaid penalty.

2. In column (2) enter the printed serial number of the Form 419 prepared as outlined in paragraph (c) of this section or, if no Form 419 was prepared because Form 413-b or 415-b or the report of unidentified cotton was not accompanied by any remittance, enter the word "None".

3. In column (3) enter on separate consecutive lines the farm serial number of each farm charged with the deficiency as shown on Form 419 or, if no Form 419 was prepared as outlined in paragraph (c) of this section, the farm serial number of each farm as shown on Form 413-b or 415-b or report of unidentified cotton which was not accompanied by any remittance.

4. In column (4) enter the amount of the deficiency or unpaid penalty for each farm.

5. In column (5) enter the serial number of the Form 413-b or 415-b or the designation "N-I" for a report of unidentified cotton

charged with the deficiency or unpaid penalty. In recording the serial number of any Form 413-b or Form 415-b, the entry shall be preceded by the letters "CR" or "CB", as the case requires.

6. The remaining space in columns (10) through (21) may be used for noting briefly any information regarding the non-payment of the penalty which the county office may desire.

7. When any deficiency or unpaid penalty is received, the record of the receipt thereof shall be made opposite the entry previously made in columns (1) through (5) of Form 356 (Marketing Quota Indebtedness Register) as follows:

- a. In column (6) enter the date the remittance was received as shown on the new Form 419.
- b. In column (7) enter the serial number of the new Form 419.
- c. Make no entry in column (8).
- d. In column (9) enter the amount of the remittance received in connection with the deficiency or unpaid penalty.

(j) **Suspense account for funds received in excess of that due.<sup>40</sup>**—If the amount of the penalty remitted is in excess of that due because the buyer through mistake on his part remitted funds in excess of the amount which he collected or was required to collect as penalties from producers selling cotton to him, or the buyer collected and remitted penalties but failed to submit Form 413-b or 415-b or a report in connection with unidentified cotton, a suspense account on Form 356 shall be established to record such amounts. The Form 356 shall be labeled "Suspense Account" and shall be prepared and entries made thereon as follows:

1. In column (10) enter the date on which the funds were received as indicated by the date of the Form 419.
2. Make no entry in column (11).
3. In column (12) enter the printed serial number of the Form 419.
4. In column (13) enter the word "Suspense."
5. In column (14) enter the amount shown opposite the word "Suspense" appearing on the Form 419.
6. In column (15) enter the transmittal number of Form 359 on which the funds were transmitted to the State office.

7. In the event it is subsequently determined that any part of the funds so received represent penalties incurred by a producer, further entries shall be made on the Form 356 (Suspense Account) as follows:

- a. In column (16) enter the date the entry is made.
- b. In column (17) enter the farm serial number of the farm in connection with which the producer marketed the cotton.
- c. In column (18) enter the printed serial number of the Form 419 on which the penalties were recorded (same as 3 above).
- d. Make no entry in column (19).
- e. Make no entry in column (20).
- f. In column (21) enter the amount of the penalties incurred for the farm.
- g. The amount entered in column (21), together with other necessary entries, shall be recorded on Form 450 or 450-A for the farm in connection with which the penalties were incurred.

8. In the event it is subsequently determined that any part of the funds held in "Suspense" represent the buyer's personal funds and are over and above the amount of penalties which he was required to collect from producers and remit to the treasurer of the county com-

<sup>40</sup> Paragraph (d) of this section.

mittee, the county committee shall determine whether such buyer is entitled to a refund and, if so, further entries shall be made on Form 356 (Suspense Account) as follows:

- a. In column (16) enter the date Standard Form No. 1047, "Public Voucher for Refunds" is prepared.
- b. In column (17) enter the word "Buyer."
- c. In column (18) enter the printed serial number of the Form 419 on which the funds were recorded.
- d. In column (19) enter the serial number of Standard Form No. 1047.
- e. In column (20) enter the name of the buyer to whom the Form 419 was issued and to whom the refund is being made.
- f. In column (21) enter the amount which the county committee has found may be refunded to the buyer.
- g. The amount entered in column (21), together with other necessary entries shall be recorded in columns (16) through (21) of the regular Form 356 as in the case of other refunds.

9. If at any time it is determined that any part of the amount entered on the Form 419 and Form 359 as "Suspense" represents penalties incurred or an overpayment by the buyer and is to be credited to a particular farm or the buyer, the treasurer of the county committee shall advise the State office of such fact by letter, which shall contain the following information:

- a. The printed serial number of the Form 419 and the transmittal number of the Form 359 on which the funds were recorded.
- b. The name of the remitter and the total amount of the remittance as shown on the Form 419.
- c. The amount originally recorded as "Suspense".
- d. The farm serial number of the farm to be credited with any part of the amount recorded as "Suspense" or, if any part is to be credited to the buyer, the name of the buyer.
- e. The amount to be credited to the farm or the buyer.
- f. The amount of the funds originally recorded as "Suspense" which remains unallocated.
- g. A copy of the letter shall be stapled to the Form 419 to which it relates.

### Sec. 234. Farm Operator's Report on Form 417

(a) **Conditions under which report is required.**<sup>41</sup>—The operator of a farm is required to submit a report on Form 417 whenever one or more of the following conditions exist:

1. The farm is overplanted.
2. A producer on the farm has carry-over penalty cotton which is designated to be marketed in connection with the farm.
3. Red marketing cards were issued to or for the producers on the farm.<sup>42</sup>
4. The marketing cards prepared for issuance to the producers on the farm were not received by them or, if received, were not used by them in identifying cotton when it was marketed.
5. The county committee requests the operator to make the report. The report under such circumstances should be requested only for the purpose of obtaining information which may enable the county committee to determine whether any cotton the marketing of which was subject to penalty was not so identified when marketed, or where facts are subsequently disclosed which, if known at the time white marketing cards were issued for the farm, would have justified the

<sup>41</sup> See Sec. 805 (d) of the regulations.

<sup>42</sup> See Sec. 224 of these instructions in connection with the first three conditions.

issuance of red marketing cards for the producers on the farm under exception 8 of section 219 (a) of these instructions.

(b) **Initial preparation of Form 417 in the county office.**—Where Form 417 is required under the conditions outlined in items 1, 2, and 3, of paragraph (a) of this section, Form 417 shall be prepared in the county office at the time the red marketing cards are prepared for issuance to the producers on the farm. In the spaces above the title of Form 417 the county office shall enter in the spaces provided (i) the farm serial number, (ii) the names of the county and State, (iii) a description of the farm or its location, (iv) the name of the farm operator, and (v) the marketing year, that is, "1940-1941". Form 417 shall then be folded in the middle on the dividing line between Parts I and II and Parts III, IV, V, VI, and VII so that the Parts will be on the inside and the instructions for executing the form will be on the outside. If the producers on the farm have carry-over cotton, the county office should offer to assist the farm operator in the execution of columns A, B, and C of Part I of Form 417 at the time it is delivered to him.<sup>48</sup> Where Form 417 is required to be executed under the conditions outlined in items 4 and 5 of paragraph (a) of this section, it shall be prepared as outlined above, except for the execution of Part I, before it is mailed to the operator for execution.

(c) **Delivery of Forms 417.**—Form 417 is to be delivered to the operator **together with the red marketing card** when its execution is required under the conditions outlined in items 1, 2, and 3 of paragraph (a) of this section. Where Form 417 is required under the conditions outlined in items 4 and 5 of paragraph (a), Form 417 shall be forwarded by registered mail, return receipt requested, to the operator, together with a request for its execution. The return receipt and a copy of the request, showing the date of mailing, shall be filed in the county office.

(d) **Time and manner of filing reports.**—The operator is required to make the report not later than 15 calendar days after all cotton in connection with the farm was marketed, or not later than March 1, 1941, whichever is the earlier. If all cotton is not marketed on or before March 1, 1941, the report made as of that date is regarded as a preliminary report and thereafter, an additional report must be made within 15 days after all cotton is marketed or not later than August 1, 1941, whichever is the earlier. When it is indicated that all cotton in connection with the farm is marketed and Form 417 has not been filed with the county committee within 15 days thereafter, or on March 1, 1941, whichever is the earlier, an additional copy of Form 417 shall be prepared as outlined in paragraph (b) of this section and mailed to the operator with a request that he execute it and return it in person or by mail to the county office, or to call at the office of the county committee for the purpose of obtaining information concerning its execution. A copy of the letter accompanying the additional Form 417 shall be filed in the county office.

(e) **Comparing Forms 417 with Forms 450, 450-A, and 451.**—Each report on Form 417 shall be compared with the related information on Forms 451 and 450 or 450-A to determine whether they are in

<sup>48</sup> See the instructions printed on Form 417 and Secs. 225 (c) and 226 (c) of these instructions.

agreement. If the county office records of cotton production are not in agreement with the report on Form 417, the operator shall be required to reconcile the difference and, if the reports from the ginner are incorrect or incomplete, the ginner shall be requested to make a supplemental report covering the incorrect or incomplete items. If the county office records of cotton marketed and penalties paid are not in agreement with the report on Form 417, the operator shall be required to reconcile the difference and the corrected information shall be entered in column 58 of Form 450 or column 28 of Form 450-A, as provided in sections 225 (f) (9), 226 (f) (8), and 232 (e) of these instructions. If the entries in Form 450 or 450-A are correct and Form 417 is in error, the operator shall be requested to make a correct report on Form 417 by correcting the information in the report previously filed or by executing a new report. There must be a report from the buyer or transferee or the producer in connection with all cotton marketed. If there is unmarketed cotton on hand at the time the farm operator's report is made, as shown in Part IV thereof, a representative of the county committee shall verify the amount thereof as provided in sections 225 (i) and 226 (i) of these instructions and execute the certificate provided in Part VII on Form 417 in connection therewith.

(f) **Approval of farm operator's report.**—After the county office records and the farm operator's report are reconciled and found to be correct, as provided in the foregoing provisions of this section, the report shall be approved by the treasurer of the county committee and filed in the county office.

### Sec. 235. Penalties Secured by Bonds or Money Held in Escrow

(a) **Conditions under which bonds or money to be held in escrow will be accepted.<sup>44</sup>**—A bond of indemnity on Form 423, or funds deposited to be held in escrow, may be accepted for the following types of farms: (i) an overplanted farm for which it is estimated that a penalty will be incurred in marketing cotton from the farm, or (ii) an underplanted farm in connection with which one or more producers have carry-over penalty cotton<sup>45</sup> and it is estimated that a penalty will be incurred in marketing cotton from the farm. A bond or funds to be held in escrow shall not be accepted for any farm if red marketing cards are or will be issued to enforce the provisions of the Act under exception 8 of section 219 (a) of these instructions nor if red marketing cards are or will be issued in connection with long staple cotton as provided in section 902 of the regulations. If a bond or funds to be held in escrow are offered for a farm, a separate bond or amount of funds to be held in escrow must be tendered for **each such** farm in which any of the producers on the farm have an interest. A bond or funds to be held in escrow shall not be accepted until after the notice of the farm marketing quota on Form 409 is mailed to the operator and received by him.<sup>46</sup> An agreement on Form 424 that the white marketing card shall be issued to the operator in trust for all producers on the farm must be

<sup>44</sup> Sec. 901 (a) of the regulations.

<sup>45</sup> Secs. 225 (c) and 226 (c) of these instructions.

<sup>46</sup> Sec. 205 of these instructions.

on file in the county office.<sup>47</sup> The bond or funds to be held in escrow must be tendered prior to the time any cotton is marketed from the farm and prior to the time the total amount of cotton produced on the farm in 1940 is determined. If it is not so tendered, it shall not be accepted. A bond or funds to be held in escrow are intended to secure the payment of a contingent penalty, the amount of which is yet to be ascertained. In no event shall a bond or funds to be held in escrow be accepted for any farm if the county committee determines, in view of the circumstances, that the acceptance thereof is not justifiable or would not adequately secure the payment of the penalties or the bond or funds to be held in escrow are not tendered in good faith. In any case where the State committee finds that the furnishing of a bond of indemnity or funds to be held in escrow will be used as a device to evade the collection of penalties, the bond or funds shall not be accepted.

(b) **Qualifications of the principal or person who deposits funds in escrow.**—The principal under the bond of indemnity or the person who tenders the funds to be held in escrow must be the owner or operator of the farm. He must also be of good character and reputation in the community in which he resides and, in the opinion of the county committee, financially able to answer for the amount of the penalties. The county committee must explain to him the fact that the bond is to be given only for the purpose of deferring the collection of the penalty until the time for filing the farm operator's report on Form 417 and that, if he does not forthwith pay the penalties at that time, the sureties will be required to pay the amounts incurred.

(c) **Qualifications of sureties.**—Each surety under a bond of indemnity shall be an owner of unencumbered real property situated within the county which is not exempt from execution and, in addition, shall, in the opinion of the county committee, be financially able to answer for the amount of the penalties. In considering whether the surety is financially able to answer for the amount of the penalties, the county committee should determine whether he is or will be eligible to receive payments under the various programs. It is not essential that he be eligible to receive such payments but, if he is not eligible, his financial position should be examined with even greater care. Neither a producer on the farm nor an employee of the County Agricultural Conservation Association nor a member of the county or community committee nor the secretary or treasurer of the county committee may be a surety. The county committee must explain to each surety that the penalties incurred must be paid within 15 days after all cotton is marketed and that, if all cotton is not marketed on or before March 1, 1941, the penalties incurred as of that date must be paid on that date, either by them or by the principal. It must also be explained that, if all cotton is not marketed by August 1, 1941, the penalties will likewise be due and payable on that date.

(d) **Estimating the penalty secured and amount of bond or funds in escrow.**<sup>48</sup>—The county committee shall have the yield of the cotton crop appraised after bolls are formed. The number of

<sup>47</sup> Sec. 901 (h) of the regulations and paragraph (h) of this section.

<sup>48</sup> Sec. 901 (d) of the regulations.

pounds of lint cotton estimated to be produced in 1940 on the farm in excess of the farm marketing quota shall be the result obtained by subtracting from the total estimated production in 1940 the amount of the normal production of the farm acreage allotment, as shown on line 11, column 3, of Form 450, or in the heading of column 3 of Form 450-A. The number of pounds of two-cent carry-over penalty cotton shall be the sum of the entries in columns 5 and 8 of Form 450 or 450-A and the three-cent carry-over penalty cotton shall be the sum of the entries in columns 6 and 9 of Form 450 or 450-A.<sup>49</sup> The amount of the bond or funds in escrow shall not be less than the sum of the following: (i) the amount determined by multiplying 3 cents by the number of pounds so estimated to be produced in excess of the farm marketing quota, and (ii) the amount determined by multiplying 2 cents by the number of pounds of two-cent carry-over penalty cotton, and (iii) the amount determined by multiplying 3 cents by the number of pounds of three-cent carry-over penalty cotton. If the farm is an underplanted farm, only the last two items shall be considered in estimating the penalty. A memorandum showing the basis for determining the amount of the estimated penalty shall be filed in the farm folder and signed and dated by the member of the county committee who approved the bond and who conducted or supervised all investigations and discussions in connection with the acceptance of the bond or funds in escrow. The memorandum must state in detail each factor required to be considered in estimating the penalty.

(e) **Placing funds in escrow.**<sup>50</sup>—Any funds delivered by the owner or operator of the farm to be held in escrow shall be only in legal tender or in the form of a cashier's check or money order drawn payable to the order of the **Treasurer of the United States**. The treasurer of the county committee shall issue a receipt on Form 419 to the person depositing the funds. The receipt shall be prepared as outlined in section 233 (b) of these instructions with the exception that the words "in payment of the penalty" shall be deleted instead of the words "as security for payment of the penalty." The funds shall be scheduled for deposit and transmitted to the State office in the manner outlined in section 233 (e) of these instructions. The amount received shall be recorded on line (b) of column 38 of Form 450, or line (b) of column 16 of Form 450-A and the serial number of the receipt on Form 419 shall be entered as otherwise provided in these instructions.<sup>51</sup> The treasurer of the county committee shall record the receipt of the funds to be held in escrow in Part I of Form 356 as follows:<sup>52</sup>

1. In column (1) enter the date on which the funds were received as indicated by the date of the Form 419.
2. In column (2) enter the printed serial number of the Form 419.
3. In column (3) enter the serial number of the farm.
4. In column (4) enter the amount of the funds received as shown on Form 419.
5. In column (5) enter the transmittal number of the Form 359 on which the funds were transmitted to the State office.

<sup>49</sup> Secs. 225 (c) and 226 (c) of these instructions.

<sup>50</sup> Sec. 901 (c) of the regulations.

<sup>51</sup> Sec. 225 (f) and 226 (f) of these instructions.

<sup>52</sup> The Form 356 prepared as outlined in Sec. 233 (f) of these instructions shall be used for this purpose.

(f) **Execution of bond.**<sup>53</sup>—The county committee shall verify the sufficiency and form of the bond of indemnity on Form 423 and indicate its approval thereof as follows:

1. In the spaces provided enter the State and county code and farm serial number.

2. Determine that, in the spaces provided,

- a. The name of the owner or operator of the farm appears as principal;
- b. The names of the county and State are entered;
- c. The names of the two sureties are entered;
- d. The amount of the principal sum entered is not less than the estimated amount of the penalty to be incurred;<sup>54</sup>
- e. The date and place of execution are properly shown;
- f. The amount of cotton estimated to be produced in excess of the farm marketing quota was entered;<sup>55</sup>
- g. The amounts of two-cent and three-cent carry-over penalty cotton, as shown in Form 450 or 450-A, are entered;
- h. The signatures and addresses of the principal and two sureties appear thereon and agree with the names entered in the body of the bond;
- i. The signatures of the principal and two sureties were witnessed by two disinterested persons who entered their signatures and addresses in the spaces provided; and
- j. The "Justification of Sureties" has been completed and **executed** and acknowledged before a proper officer.

3. If the county committee finds that the bond has been properly executed and that, to the best of its knowledge and belief, the sureties are good and sufficient and the principal is qualified,<sup>55</sup> the "Certificate of County Committee" shall be executed by a member of the committee.

4. The original shall be delivered to the treasurer of the county committee, one copy retained by the principal, and one copy retained by each of the sureties.

(g) **Cancelation of red and blue marketing cards previously issued.**—If Forms 412 and 413 or 414 and 415, or both, were issued to producers on the farm prior to the execution of the bond or the depositing of the funds to be held in escrow, the Forms 412 and 413 and 414 and 415 must be returned to the county committee prior to the time the white marketing card for the farm is issued. The Forms 412 and 414 shall be canceled by stamping across the face thereof in bold letters the legend "Canceled" and the same legend shall be so stamped or endorsed on each set of Forms 413 and 415 in the books accompanying the Forms 412 and 414. In column K of Form 410-A on the same line with the serial number of the Forms 412 and 414 enter the legend "Bond" or "Escrow", as the case may be. The canceled Forms 412 and 413 and Forms 414 and 415 shall be filed in the folder for the farm.

(h) **Issuing white marketing cards.**—After the bond of indemnity on Form 423 has been approved or after the funds tendered to be held in escrow have been scheduled for deposit in the 1940-1941 special deposit account and any Forms 412 and 413 or 414 and 415 previously issued have been canceled, the county committee shall issue Form 411 only to the operator of the farm in accordance with section 219 of these instructions, except that:

<sup>53</sup> Sec. 901 (b) of the regulations.

<sup>54</sup> Paragraph (d) of this section.

<sup>55</sup> Paragraphs (b) and (c) of this section.

1. There must be on file in the county office an agreement on Form 424, executed by all producers on the farm, to the effect that the white marketing card shall be issued only to the operator of the farm to be used in trust by him for all producers.

2. A separate listing on Form 410-A shall be prepared.

3. Stamp the words "Penalty secured" across the face of each Form 411.

4. Enter the words "Bond" or "Escrow", as the case may be, in column K of Form 410-A.

(i) **Record of cotton produced.**—The record of cotton produced shall be taken from the ginner's report on Form 416, or the gin bale receipts or tickets submitted by the ginner with Form 416-A, and from Form 426 and recorded on Forms 451 and 354 in the manner indicated in section 218 of these instructions.

(j) **Apportionment and reapportionment of producer marketing quotas.**—The acceptance of a bond or funds to be held in escrow does not alter the requirement that producer marketing quotas be apportioned and reapportioned as provided in section 304 of the regulations.<sup>56</sup> No intermediate reapportionment of the amount of the producer marketing quotas and no intermediate adjustment in the amount of the farm marketing quota shall be made. At the time the bond or funds are accepted, the county committee shall furnish the owner or operator with a listing showing the name of each producer on the farm and his producer marketing quota and each producer shall be notified by mail of the amount of his producer marketing quota. A similar listing shall be furnished to the owner or operator and a similar notice to each producer shall be given immediately after the producer marketing quotas are finally determined.

(k) **Farm operator's report on Form 417.**—If a bond of indemnity on Form 423 or funds to be held in escrow to secure the payment of the penalty were accepted for the farm, the farm operator shall file the farm operator's report on Form 417 in the manner outlined in section 234 of these instructions. **Form 417, prepared as outlined in paragraph (b) of section 234 of these instructions, shall be given to the operator at the time the white marketing card is delivered to him.**

(l) **Record of cotton marketed.**—The total amount of cotton marketed shall be presumed to be not less than the sum of the following: (1) the amount of cotton produced on the farm in 1940 as shown on Forms 451 and 354 and (2) the amount of cotton on hand at the beginning of the marketing year as shown in columns 4 through 9 of Form 450 or 450-A. If the amount of the cotton marketed as reported by the farm operator on Form 417 is less than that amount, the figures of the farm operator shall not be accepted unless the farm operator accounts for the difference by establishing to the satisfaction of the county committee, in the manner outlined in section 225 (i) or 226 (i) of these instructions, the amount of cotton which he has on hand at the time of the report, including cotton pledged as security for a Commodity Credit Corporation loan, or the amount of cotton destroyed by fire or otherwise, or the amount by which the weight of the cotton when marketed was less than the weight thereof as reported by the

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<sup>56</sup> Paragraphs (b) and (e) of Secs. 225 and 226 of these instructions.

ginner. If the farm operator's report on Form 417 is a **preliminary report** the amount of cotton marketed at that time shall be entered in column 57 of Form 450, or column 27 of Form 450-A. The amount of the penalties incurred at the time of the **preliminary report** shall be computed as provided in section 225 (g) or 226 (g) of these instructions, with the exception that the amount thereof shall be recorded on a memorandum and signed by the treasurer of the county committee. When a **final report** on Form 417 is filed, the amount of cotton marketed shall be entered on line (a) in column 58 of Form 450, or line (a) in column 28 of Form 450-A, and the amount of the penalties incurred computed as provided in section 225 (g) or 226 (g) of these instructions and entered in columns 59 through 61 of Form 450, or columns 29 through 31 of Form 450-A. The amount of unmarketed cotton on hand shall be entered on Form 450 or 450-A at the time a **final farm operator's report** is required to be made as provided in section 225 (i) or 226 (i) of these instructions.

(m) **Payment of the penalty in the case of a bond.**<sup>57</sup>—The penalty is due at the time the farm operator's report on Form 417 is required to be filed.<sup>58</sup> If a preliminary Form 417 is filed, the penalty incurred at that time shall be paid and the additional penalty shall be paid when the final Form 417 is filed. The penalty shall be paid by the principal under the bond of indemnity or, in the event of his default, by the sureties under the bond. Any producer may nevertheless pay to the treasurer of the county committee the amount of the penalties incurred by him and in that event the principal and sureties shall be required to pay only the amount of the penalties not paid by the other producers on the farm. The time of paying the penalties cannot be extended. Neither the principal nor the sureties shall be permitted to postpone the remittance of the penalties until a payment under any agricultural program becomes due or for any other reason. The penalty shall be received and handled in the following manner:

1. A receipt on Form 419, prepared as outlined in section 233 (b) of these instructions, shall be given to the person from whom the penalty is received.

2. The penalty shall be transmitted to the State office in accordance with section 233 (e) of these instructions.

3. The penalty shall be recorded on Form 356 as outlined in section 233 (f) of these instructions.

4. In the case of a **preliminary** farm operator's report, the amount of the penalty received shall be recorded on line (b), column 54, of Form 450, or line (b), column 25, of Form 450-A. The amount actually remitted by each producer shall be recorded opposite his name and the amount remitted by the owner or operator as principal or by the two sureties shall be recorded opposite the name of the owner or operator, as the case may be. The serial number of the receipt on Form 419 shall be recorded on line (b), column 53, of Form 450, or on line (a) or (b) in the heading of column 25 of Form 450-A.

5. In the case of a **final** farm operator's report, the amount of the penalty shall be recorded as outlined in item 4 above, except that it shall be recorded in columns 55 and 56 of Form 450, or column 26 of Form 450-A.

<sup>57</sup> Sec. 901 (e) of the regulations.

<sup>58</sup> Sec. 234 of these instructions and paragraphs (k) and (l) of this section.

6. The total amount of the penalties paid shall be recorded in column 58 of Form 450, or column 28 of Form 450-A, for each producer and for the farm.

(n) **Payment of the penalty in the case of funds deposited in escrow.**—Penalties secured by funds held in escrow are due and payable at the same time and under the same terms and conditions as penalties secured by a bond of indemnity. The amount deposited in escrow shall be used to pay the penalties to the full extent thereof and any deficiency in the amount must be paid by the operator who tendered the funds to be held in escrow or by the producers who incurred the penalty.<sup>59</sup>

(o) **Refunds.**—In the case of amounts paid under a bond of indemnity or deposited in escrow, refunds of any amounts thereof which are in excess of the penalties incurred shall be determined and recorded on Form 450 or 450-A as outlined in sections 225(h) or 226(h) of these instructions.

### Sec. 236. Farms Producing 1,000 Pounds or Less

(a) **Amount of penalties.**<sup>60</sup>—The penalty does not apply to the marketing of cotton produced in 1940 on a farm for which a cotton acreage allotment was established if the total production of lint cotton in 1940 on the farm does not exceed 1,000 pounds. This exemption is not applicable to carry-over penalty cotton designated to be marketed in connection with the farm. Where there is a variation between the gin weight and the marketing weight of the cotton produced on a farm so that one weight is more than 1,000 pounds and the other weight is less than or equal to 1,000 pounds and the two weights are bona fide and not the result of a scheme to evade the payment of penalties, the farm shall be considered to have produced 1,000 pounds and such cotton will not be subject to penalty. The exemption from the penalty does not alter the amount of the farm marketing quota. The exemption means that penalties shall not apply to cotton produced in 1940 which is marketed in excess of the farm marketing quota if the total production in 1940 on the farm was 1,000 pounds or less.

(b) **Issuing marketing cards.**<sup>61</sup>—Marketing cards are required to be issued to producers on a farm prior to the time the total production thereon is known. White marketing cards, red marketing cards, and blue marketing cards will consequently be issued as in other cases to farms on which the 1940 production does not exceed 1,000 pounds.<sup>62</sup> A white marketing card may be issued to or for producers on an overplanted farm if (i) the actual or estimated production does not exceed 1,000 pounds of lint cotton, (ii) no producer on the farm has any carry-over penalty cotton, (iii) a cotton acreage allotment was established for the farm, and (iv) any red or blue marketing cards previously issued to or for the producers on the farm are returned to the county office and canceled. A white marketing card under such circumstances should not be issued if there is a possibility that the 1940

<sup>59</sup> See paragraph (e) of this section.

<sup>60</sup> Sec. 903 (a) of the regulations.

<sup>61</sup> Sec. 903 (b) of the regulations.

<sup>62</sup> Secs. 219, 227, and 228 of these instructions.

production will exceed 1,000 pounds of lint cotton. The white marketing card issued under such conditions shall be prepared and delivered to the producer in accordance with section 219 of these instructions with the following exceptions:

1. A separate listing on Form 410-A shall be prepared and the words "One Thousand Pounds" shall be entered in the heading thereof.
2. The words "One Thousand Pounds" shall be stamped across the face of Form 411.
3. The farm operator's report on Form 417, prepared as outlined in section 234 (b) of these instructions, shall be delivered to the operator of the farm at the time the white marketing card is issued to him.

(c) **Records and reports.**—Accounts on Forms 450 and 450-A and Forms 451 and reports on Forms 417 and 422 are required as otherwise provided in these instructions for farms on which the total production does not exceed 1,000 pounds of lint cotton. The following exceptions in the case of Forms 450 and 450-A are applicable with respect to recording the penalties incurred:

1. If there is no carry-over penalty cotton in connection with the farm, enter a zero in columns 59 through 61 of Form 450, or columns 29 through 31 of Form 450-A, for each producer.

2. If there is carry-over penalty cotton in connection with the farm, the entry in column 59 of Form 450, or column 29 of Form 450-A, shall be the amount of carry-over penalty cotton shown in columns 5 and 6 of Form 450 or 450-A which was marketed less the amount, if any, by which the farm marketing quota exceeds the production in 1940 on the farm. The amount of cotton shown in columns 5 and 6 of Form 450 or 450-A which was marketed should equal, taking into consideration the sales weights of the cotton, the amount by which the total amount of cotton marketed in connection with the farm exceeds the total production thereon in 1940. The amount of two-cent carry-over penalty cotton marketed in excess of the farm marketing quota to be shown in column 60 of Form 450, or column 30 of Form 450-A, should be the amount in column 59 of Form 450, or column 29 of Form 450-A, or the amount in columns 5 thereof, whichever is the smaller. The amount of three-cent carry-over penalty cotton marketed in excess of the farm marketing quota to be shown in column 61 of Form 450, or column 31 of Form 450-A, should be, in the case of Form 450, the amount, if any, by which the entry in column 59 exceeds the entry in column 60, and, in the case of Form 450-A, the amount, if any, by which the entry in column 29 exceeds the entry in column 30.

### Sec. 237. Long Staple Cotton <sup>63</sup>

(a) **Penalties in connection with long staple cotton.**—The penalty does not apply to cotton marketed in excess of the farm marketing quota if the staple of the cotton is  $1\frac{1}{2}$  inches or more in length. The exemption applies to cotton which has that staple length after it is ginned and at the time it is marketed. The other marketing quota provisions likewise do not apply to cotton having that staple length.

(b) **Reports of cotton marketed.**—If the producers on a farm on which Sea Island or American-Egyptian cotton, or other varieties of

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<sup>63</sup> Sec. 902 of the regulations.

long staple cotton, are issued white marketing cards,<sup>64</sup> the producers shall use the white marketing cards in marketing cotton produced from the acreage planted to Sea Island or American-Egyptian cotton, or other long staple varieties, as in the case of other cotton.<sup>65</sup> Any producer to whom a red marketing card was issued shall also be issued Forms 321 if the report of measurements shows that long staple varieties of cotton are planted on the farm. Form 321 is to be used by the producer instead of the red marketing card in marketing cotton the staple of which is 1½ inches or more in length. Form 321 used for this purpose must be executed by a federally licensed cotton classifier, the producer, and the buyer or transferee.<sup>66</sup> Each Form 321-b received by the county office shall be compared with the information shown on the Form 451 marked "Long Staple"<sup>67</sup> to determine that each bale shown on Form 451 so marked was identified by the certificate on Form 321 when marketed. If any bale entered on Form 451 so marked was not identified by Form 321 when marketed, it shall be presumed that the staple of the cotton was less than 1½ inches in length and subject to the penalty, if marketed in excess of the farm marketing quota, unless it is shown by both the buyer and the producer by affidavit or other acceptable evidence that the staple of the cotton was in fact 1½ inches or more in length when marketed. Forms 321 should also be issued to any producer to whom a white marketing card was issued if the producer desires to use it in identifying long staple cotton.

(c) **Determination of cotton produced.**—If the county committee determines that all cotton produced from the acreage planted to Sea Island or American-Egyptian cotton, or other long staple varieties, was ginned by facilities designed specifically for ginning long staple cotton (roller gin) and was so reported by the gunner and recorded on Form 451 marked "Long Staple", the amount of cotton for the farm which is recorded on Form 451 marked "Long Staple" shall not be regarded as cotton produced in 1940 on the farm and will not be used in computing the actual average yield per acre nor the farm marketing quota.<sup>68</sup> If the county committee determines that any part or all of the cotton produced on the acreage shown by the report of measurements to be planted to long staple varieties of cotton was not ginned by the use of facilities designed specifically for ginning long staple cotton (roller gin), the entire production of such acreage shall be regarded as cotton produced in 1940 on the farm and will be used in computing the actual yield per acre and the farm marketing quota. In that event, the Form 451 for the farm marked "Long Staple" shall be marked "Void" and the cotton shown thereon transferred to the regular Form 451 and included in the total amount of cotton on the regular Form 451. A separate subdivision of the balance period shall be used in making the transfer to regular Forms 451 and the balance sheet therefor. The correction of Forms 451 marked "Long Staple"

<sup>64</sup> In such cases neither exception 8 nor exception 9 of section 219 (a) of these instructions is applicable to the farm.

<sup>65</sup> Sec. 602, 802 (d), 805 (b), and 902 (c) of the regulations.

<sup>66</sup> Sec. 606, 802 (g), 805 (e) (4), and 902 (c) of the regulations.

<sup>67</sup> Sec. 218 (a) of these instructions.

<sup>68</sup> Any part of the cotton recorded on such Forms 451 which was not identified when marketed by Forms 321 and was marketed in excess of the farm marketing quota shall nevertheless be subject to penalty.

shall be accomplished as outlined in section 218 (f) 2 of these instructions.<sup>69</sup>

(d) **Determination of the acreage planted to cotton.**—If Form 451 marked "Long Staple" is **not** marked "Void" as outlined in paragraph (c) of this section, the acreage shown by the report of measurements as planted to long staple varieties of cotton on the farm shall not be classified as acreage planted to cotton. If the Form 451 marked "Long Staple" is marked "Void" as outlined in paragraph (c) of this section, the acreage shown by the report of measurements as planted to long staple cotton on the farm shall be classified as acreage planted to cotton<sup>70</sup> and the entry on line 15 under the words "Planted Acreage" on the regular Form 451 for the farm shall be corrected to include the acreage planted to long staple cotton. Corresponding changes shall be made in column 2 of Form 450 or Form 450-A. A report of the determinations made under this paragraph and paragraph (c) shall be made to the State office for each farm. Until the determination is made, the acreage shown by the report of measurements as planted to long staple varieties of cotton shall not be classified as planted to cotton except for the purpose of determining the total acreage planted to all varieties of cotton on the farm as required in connection with issuing marketing cards.<sup>71</sup> If the farm is overplanted after the determination made pursuant to this paragraph, Form 418 shall be revised.<sup>72</sup>

(e) **Determination of farm and producer marketing quotas.**—The farm marketing quota and producer marketing quotas for farms on which the report of measurements shows that long staple varieties of cotton are planted shall be determined as otherwise provided in the regulations<sup>73</sup> and these instructions.<sup>74</sup> In the initial determination of the farm marketing quota and producer marketing quotas the farm acreage allotment and normal yield per acre shall be used. In the final determination of the farm marketing quota, in determining whether the actual production of the farm acreage allotment exceeds the normal production thereof, the production, as determined under paragraph (c) of this section, and the planted acreage, as determined under paragraph (d) of this section, shall be used. Any cotton marketed in excess of the final quota which does not have a staple length of 1½ inches or more will be subject to the penalty. **Comment:** If 10 acres of so-called short staple cotton and 5 acres of long staple cotton are planted on a farm for which a 10 acre allotment and a normal yield per acre of 300 pounds were determined, the initial farm marketing quota is 3,000 pounds. If 4,000 pounds are produced from the short staple acreage and 1,500 pounds from the long staple acreage, and the latter is ginned by a roller gin, the final farm marketing quota will be 4,000 pounds; that is, the actual average yield per acre of the acreage planted to cotton times the farm acreage allotment. If the 1,500 pounds of long-staple production staples 1½ inches or more in length when marketed, no penalty will be incurred. If 500 pounds of it staples less than 1½ inches when marketed, a penalty of three cents

<sup>69</sup> This procedure is applicable in all States and counties without regard to the areas designated in exception 9 of section 219 (a) of these instructions.

<sup>70</sup> Exception 9 of section 219 (a) of these instructions.

<sup>71</sup> Sec. 208 of these instructions.

<sup>72</sup> Secs. 301 and 304 of the regulations.

<sup>73</sup> Paragraphs (b), (d), and (e) of Secs. 225 and 226 of these instructions.

per pound will be incurred on the 500 pounds which is less than 1½ inches in staple length. In the same example, if all or a part of the 1,500 pounds produced from the long staple acreage was ginned on other than a roller gin, the farm marketing quota would be 3,666 pounds ( $5,500 \text{ pounds} \div 15 \text{ acres} = 366.6 \text{ pounds per acre} \times 10 \text{ acre allotment} = 3,666 \text{ pounds as the farm marketing quota}$ ). A penalty of three cents per pound in the last-mentioned case will be incurred on all cotton marketed in excess of the farm marketing quota except that amount which staples 1½ inches or more in length when marketed.

### Sec. 238. Records To Be Kept By Buyers, Warehousemen, and Others

(a) **Notice to buyers, warehousemen, and others.**—Prior to the beginning of the marketing season in any county, the county committee shall mail to each buyer of cotton in the county a copy of the regulations and Part V of these instructions together with a letter of explanation and a sample copy of Form 420. The letter should call attention to section 802 (b) of the regulations and of the nature of the records required thereby. In no case will it be necessary for the buyer to keep an additional or a separate record of the information specified in section 802 (b). As a general rule, the records ordinarily kept by the buyer will contain all of the information required with the possible exception of the serial number of the marketing card. It is intended and preferred that a buyer make no change in his regular record keeping system other than may be necessary to record some information which he previously did not enter on his accounts, ledgers, or other records. If any buyer believes that it would be better to keep a separate record of the required information, copies of Form 420 may be furnished to him at his request for this purpose. In the same manner, a copy of the regulations and Part V of these instructions should be furnished to each warehouseman, compressor, and other person referred to in section 804 of the regulations. The letter should explain to such person that no change in his system of record keeping is required and that the only effect of section 804 of the regulations is to make his regular business records available to ascertain the correctness of any report or record required under the regulations or to obtain information required to be reported but not reported.

(b) **Use of records.**—No member of the county nor community committee nor any employee of the county committee is authorized to examine the records kept by the buyers, warehousemen, and others pursuant to section 802 (b) and 804 of the regulations. If it is determined that any information required to be kept pursuant to said sections is desired, the matter must be referred to the State committee.













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UNITED STATES DEPARTMENT OF AGRICULTURE  
Agricultural Adjustment Administration

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR 1940

PART II. COUNTY OFFICE RECORDS AND REPORTS

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#### G. Refunds and Transfers of Funds

Section 239. Conditions under which refunds may be made, determinations of refunds and preparation of county office records and reports.

(a) Conditions under which refunds may be made to producers. No refund of money received in connection with the marketing of cotton on any farm shall be made under this section unless and until the following conditions have been met:

1. The farm marketing quota for the farm has been finally determined and finally apportioned or reapportioned among the producers thereon.

2. The money collected has been remitted to the treasurer of the county committee and transmitted by him through the State office for deposit in the Special Deposit Account and has not been transferred out of the Special Deposit Account into the general fund of the Treasury of the United States.

3. The farm operator's final report has been made and approved as provided in section 234 of these instructions.

4. The interest of every person on the farm in the money received in connection with marketing cotton is determined.

5. The total amount of money received is in excess of the sum of the penalties incurred by the producers on the farm in connection with the marketing of cotton in excess of their respective shares of the farm marketing quota.

6. The county committee has examined and approved the records with respect to the farm as being correct.

7. The auditor has examined and approved the records with respect to the farm as being correct.

(b) Determination of refunds in connection with penalties paid. Each producer on the farm shall be entitled to a refund of the amount computed for him and entered in column (64) of Form 450 for the farm, as provided in section 235(h), provided that the conditions set forth in the preceding subsection of this section 239 have been met and the county committee is satisfied that such producer bore the burden of the payment of such amount and has not been reimbursed therefor by any other person. 1/ Notwithstanding that the conditions set forth in paragraphs 1 and 3 of subsection (a) of this section

1/ See Secs. 234(e) and 232(e) of these instructions and also 704 of the Regulations.

have not been met, refunds may be made to the producers on a farm, provided that the county committee determines no penalties will be incurred for the reason that the final farm marketing quota will equal or exceed the sum of (1) the cotton produced on the farm in 1940 and (2) the carryover cotton designated to be marketed in connection with the farm for the 1940-1941 marketing year.

(c) Determination of refunds in connection with funds in escrow. Refunds to producers on any farm of funds deposit in escrow which are in excess of penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota shall be made to the person(s) who deposited such funds with the treasurer of the county committee. No refund shall be made under this subsection until the conditions set forth in subsection (a) of this section 239 have been met. No refund shall be made under this subsection before August 1, 1941, unless either all cotton (including all cotton produced on the farm in 1940 and all carryover cotton designated to be marketed in connection with the farm during the 1940-1941 marketing year) has been marketed or, if it has not been marketed, it has been determined that no penalties will become due with respect to the marketing of such cotton if such cotton were to be marketed during such marketing year. The amount to be refunded shall be the amount by which the entry on line 11(b) of column (58) exceeds the entry in line 11(b) of column (59) of Form 450. 2/ This amount is to be entered in line (b) of column (64) of Form 450 opposite the name of the person who deposited the funds in escrow.

(d) Determination of refunds to persons other than producers. If after the audit of Forms 413-b, 415-b, and reports of marketing of unidentified cotton (section 536 of Cotton 408-Part V) it appears that the remittances received from a particular buyer were in excess of the penalties incurred, the county committee shall ascertain the reasons for the excess with a view to determining whether the excess represents (1) penalties incurred by producers and which the buyer collected or was under a duty to collect or (2) the buyer's personal funds which were remitted through error. If it is determined that the excess represents penalties collected by the buyer or which the buyer was under duty to collect from producers or other persons from whom the buyer purchased cotton, the amount thereof found to represent penalties shall be credited to the farm on which the cotton in connection with which the penalty was incurred was produced. If it is determined that the excess or part thereof represents the buyer's personal funds which were remitted through error, a refund of such amount may be made to the buyer. No refund shall be made to the buyer until the auditor has examined and approved the county office records pertaining to such buyer.

(e) Preparation of Standard Form No. 1047, "Public Voucher for Refunds", and Form Cotton 325, "Public Voucher for Refunds - Cotton Marketing Quotas - Continuation Sheet." Amounts of refunds

2/ See Sec. 235(o).

to be made to producers on a farm shall be vouchered on Standard Form No. 1047, "Public Voucher for Refunds," and Standard Form No. 1048, "Public Voucher for Refunds - Memorandum," which have been overprinted for the purpose, as follows:

1. The original will be Standard Form No. 1047 and the six copies required will be Standard Form No. 1048.
2. Enter in the space provided the serial number which shall be the State and county code number followed by the symbol "MQ'40" and the number next succeeding the last number assigned to a Standard Form No. 1047, thus: 63-001-MQ '40-1. (Serial numbers shall begin with 1 for the first voucher and continue thereafter in numerical sequence without regard to fiscal years.)
3. The "D. O. Voucher No." will be left blank, as it will be filled in by the Disbursing Office.
4. Enter the farm serial number after the words "Farm Serial No." and enter "1940-41" after the words "Marketing Year."
5. Enter the name of the State in the blank space in the expression "Department of Agriculture, AAA, \_\_\_\_\_ State Office."
6. Enter the name of the city and State in which the State office is located after the word "Location."
7. Enter the name of the payee (the person to whom the refund is to be made) after the word "To." This will be obtained from column (35) of Form 450 and will be the name of the producer for whom an entry appears in column (64) of Form 450. If more than one person on the farm is to receive a refund, enter the name of the first payee followed by the words "et al. See Cotton 325 attached."
8. Enter the address of the payee after the word "Address."
9. Enter the total amount which has been remitted for the farm to the State committee after the words "Amount of deposit \$ \_\_\_\_\_. " This amount will be obtained from line 11(b), column (58) of Form 450.
10. Enter the total amount of penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota after the words "Applied as explained in 'Remarks' below." This amount will be obtained from line 11(b) of column (59) of Form 450.

11. Make no entry following the words "Standard Form No. 1046-Revised, No.", as this will be filled in by the Washington office.

12. Enter the total amount authorized to be refunded to the producer(s) on the farm after the words "Balance authorized to be refunded \$ \_\_\_\_." This amount will be obtained from line 11(b) of column (64) of Form 450 for the farm and will be the amount by which the entry made under item 9 above exceeds the entry made under item 10 above.

13. Underneath the word "Schedule" enter the schedule number of each Standard Form No. 1044-Revised on which remittances for the farm were scheduled for deposit to the special deposit account, and underneath the word "Period" enter the corresponding period for such Standard Form No. 1044-Revised, and underneath the word "Amount" enter the amount scheduled for the farm on such Standard Form 1044-Revised. Where the farm is credited with amounts shown on several Forms 419 or 419-A, which are scheduled on the same Standard Form 1044-Revised, itemize the amount shown on the Standard Form No. 1044-Revised, to reflect the amount for the farm on each Form 419 or 419-A, thus:

<u>Schedule</u>	<u>Period</u>	<u>Amount</u>
40 Cotton 50	Sept. 1940	\$18.00 12.00
40 Cotton 57	Oct. 1940	6.00

If additional space is needed use separate sheets and attach securely to Standard Form No. 1047. This information will be obtained from the copies of Forms 359 returned to the county office by the State office and Forms 419 and 419-A. (Note: To obtain this information will entail tracing each serial number of Forms 419 and 419-A entered in columns (37) through (55) of Form 450 to the related Form 359. The sum of the entries under the word "Amount" must equal the entry made under item 9 above.)

14. Enter in the spaces provided the first and last sheet numbers of the continuation sheets (Form 325), if any.

15. Make no entry in the spaces provided for the date, signature, and title, as these will be executed in the Washington office.

16. Make no entries in the spaces provided for the description of the check to be drawn on the Treasurer of the United States in payment of the refund.

17. If there is more than one person on the farm and one or more of them entitled to a refund, Form 325,

shall be used for listing all the persons shown in column (35) of Form 450 and shall be executed in septuple (original and six copies) and attached to Standard Form No. 1047 and Standard Forms No. 1048 executed as above. Form 325 shall be executed as follows:

a Enter the name of the State and county and farm serial number in the spaces provided.

b Enter the administrative number in the space provided, which shall be the same as the serial number of Standard Form No. 1047 entered under item 2 above.

c Enter the continuation sheet number followed by the number of sheets in the spaces provided.

d Enter in column (1) the names of the payees (all producers on the farm to whom refunds will be made). These will be obtained from column (35) of Form 450 and will be the names of the producers for whom entries appear in column (64) of Form 450. Also enter in column (1) the names of other producers whose names are in column (35) of Form 450 but who are not entitled to refunds and for whom there are no entries in column (64) of Form 450.

e Enter immediately to the right of the name of each payee the address of such person.

f Enter in column (2) for each person the total amount received for him. This amount will be obtained from line (b) of column (58) of Form 450 opposite the person's name on such form.

g Enter in column (3) for each person the total amount to be refunded to him. This amount will be obtained from line (b) of column (64) of Form 450 opposite such person's name on such form. Enter zero in column (3) opposite the name of each person not entitled to a refund.

h Make no entry in column (4).

i Enter the total of columns (2) and (3) in the spaces provided. The total of column (3) must equal the amount on line 11(b) of column (64) of Form 450 and also the amount

show on Standard Form No. 1047 opposite the words "Balance authorized to be refunded."

j Make no entry in the space provided for signature of the person checking the form.

18. If the person to whom a refund is to be made is other than a producer, (cotton buyer or transferree) as provided in subsection (d) of this section 239, Standard Form No. 1047 (one copy) and Standard Forms No. 1048 (six copies) which have not been overprinted shall be prepared as follows:

a Enter in the space provided the serial number, which shall be the number next succeeding the last number assigned under item 2 above.

b Make no entry in the space provided for "D. O. Voucher No.", as this will be filled in by the Disbursing office.

c Insert the words "Cotton Buyer, Marketing Year 1940-41" underneath the space provided for the D. O. Voucher No.

d Enter the words "Department of Agriculture, AAA, \_\_\_\_\_ State Office" (inserting the name of the State after the letters "U.S.")

e Enter the name of the city and State in which the State office is located after the word "Location."

f Enter after the words "Appropriation or fund" the following:

"Special Deposits, 03.37-66.2-200-Suspense, Collections, AAA, Marketing Quotas."

g Enter the name of the payee (the buyer to whom the refund is to be made) after the word "To."

h Enter the address of the payee after the word "Address."

i Enter after the words "Deposit received from the above-named depositor on" the words "Sch. of Col." followed by the serial number and period of the Standard Form No. 1044-Revised, thus:

"Sch. of Col. 40 Cotton 25, Sept. 1940." (Note: This will entail tracing Form 419 on which the personal funds of the buyer were shown as "Suspense" 3/ to the Form 359 returned by the State office with the schedule number and period of the Standard Form No. 1044-Revised shown thereon.)

j Enter the words "Marketing Quotas for cotton for the marketing year 1940-41" after the word "For."

k Enter after the words "Amount of deposit \$\_\_\_\_\_" that part of the amount shown on the Standard Form No. 1044-Revised as "Suspense" which represents the personal funds of the person to whom the refund is to be made and which was in excess of the penalties which were or should have been collected.

l Make no entry after the words "Applied as explained in 'Remarks' below."

m Enter after the words "Balance authorized to be refunded \$\_\_\_\_\_" the amount to be refunded, which will equal the amount shown after the words "Amount of deposit \$\_\_\_\_\_."

n Enter in the space provided for "Remarks" an explanation of why the refund is due, for example: "Amount to be refunded was remitted by the payee through error and does not represent cotton marketing quota penalties collected from cotton producers nor was the payee obligated to collect or remit such amount to the United States."

o Make no entry in the spaces provided for the date, signature, and title or in the spaces below the double line.

19. Enter in the lower left corner of two copies of Standard Form No. 1048, "Public Voucher for Refunds - Memorandum" the following:

"Approved \_\_\_\_\_, 19\_\_\_\_\_.  
Agricultural Conservation Committee of  
\_\_\_\_\_ County, \_\_\_\_\_ State.  
By \_\_\_\_\_, Committeeman.  
\_\_\_\_\_, Treasurer."

A member and the treasurer of the committee shall sign each such copy and enter the date of their approval and the name of the county and State.

20. Standard Form No. 1047 and five copies of the related Standard Form No. 1048 (one of which shall bear the notation and signature of a member of the county committee as provided in item 19) and the original and five copies of each related Form 325 shall be forwarded to the State office. One copy of Standard Form No. 1048 bearing the notation and signature of a member of the county committee and Treasurer, as provided in item 19 of this paragraph, and one copy of each related Form 325 shall be retained in the county office in a pending file. The copy returned at the time the check(s) are drawn shall be filed in numerical order according to serial numbers. At that time the copy of the Standard Form No. 1048 retained in the pending file shall be filed in the farm folder.

Section 240. Transfer of funds from the special deposit account to the general fund of the Treasury.

(a) Collections and remittances of funds which are in excess of penalties incurred. Where the total collections and remittances of money for any farm are in excess of penalties incurred in connection with the marketing of cotton on the farm, so much of such money as represents penalties incurred shall be transferred from the special deposit account to the credit of account 122450, Penalties, Cotton Marketing Quotas, Agricultural Adjustment Act of 1938, as amended, (hereinafter referred to as penalties account) at such time as re-funds are vouchered to producers on the farm as provided in section 239 of these instructions. In such cases the submission of Standard Form No. 1047 will be sufficient authority for the Washington office to prepare Standard Form No. 1046-Revised, "Schedule of Transfers - Special Deposits", and take the necessary steps to transfer to the penalties account so much of the money received for the farm which represents penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota. This amount will be the amount entered on Standard Form No. 1047 in accordance with section 239(e) 10 of these instructions. In such cases it will not be necessary to execute Form 558 for the farm.

(b) Collections and remittances of funds which are not in excess of penalties incurred. Where the total collections and remittances of money or any farm are not in excess of penalties incurred in connection with the marketing of cotton on the farm, the State committee shall be advised by the county office on Form 358 to transfer such money to the penalties account. The State Committee shall be so advised as soon as possible after (i) a final farm operator's report has been made on Form 417 as provided in section 234 of these instructions and (ii) the Form 450 has been approved by the county committee and the auditor. Form 358 shall be executed as follows:

1. Enter in the space provided the schedule number, which shall be "1" for the first Form 358 and continue thereafter in numerical sequence for each additional Form 358 prepared in the county. The number shall be preceded by the symbol "P-40," such as "P-40-1."

2. Enter in the space provided the State and county code number.

3. Enter in the space provided the farm serial number.

4. Enter in the space provided for marketing year the numbers "1940-41."

5. In Part III enter in either column (1) or (4) the schedule number of each Standard Form No. 1044-Revised on which money received for the farm was scheduled for deposit to the special deposit account, and in column (2) or (5) the period of each such schedule and in column (3) or (6) the amount of money scheduled for the farm on each such schedule. Where the farm is credited with amounts shown on several Forms 419 or 419-A which are scheduled on the same Standard Form No. 1044-Revised, itemize the amount shown on the Standard Form No. 1044-Revised, to reflect the amount for the farm on each Form 419 or 419-A, thus:

<u>Schedule</u>	<u>Period</u>	<u>Amount</u>
40 Cotton 51	Sept. 1940	\$24.00 15.00
40 Cotton 58	Oct. 1940	9.00

This information will be obtained from the copies of Forms 359 returned by the State office and from Forms 419 and 419-A. (Note: To obtain this information will entail tracing each serial number of Forms 419 and 419-A, shown in columns (37) through (55) of Form 450, to the related Form 359.)

6. Enter in the space for the total amount of deposit the sum of the entries in columns (3) and (6). This amount must agree with the amount shown in line 11(b) of column (58) of Form 450 for the farm.

7. Part I of Form 358 shall be signed by a member of the county committee and by the treasurer of the county committee and the date of each signature shall be entered in the space provided therefor.

8. The original and salmon copy of Form 358 shall be forwarded to the State committee and the green copy

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placed in a pending file. The original copy, with Part II executed in the Washington office, will be returned to the State office, which when received shall be filed in the State office in numerical order according to schedule number. The State office will advise the county office, by letter, of the number of Standard Form No. 1046, Revised, to enter on the green copy, and at this time the green copy shall be placed in the farm folder in the county office.

9. Where Form 358 is executed, a separate sheet of paper will be executed in triplicate, showing for each person (1) name, (2) address, and (3) amount paid by him. One copy will be stapled securely to each copy of Form 358.

Section 241. Records of refunds and transfers.

(a) Records of refunds to producers. A record of each Standard Form No. 1047 shall be made as follows:

1. Form 450.

a. Enter in the heading of column (64) the serial number assigned to the Standard Form No. 1047, followed by the date such form was certified by a committeeman and the Treasurer.

2. Form 356 for the 1940-41 marketing year.

a. Funds in escrow.

(1) Enter in column (6) the date Standard Form No. 1047 was certified by a county committeeman.

(2) Enter in column (7) the serial number of the Form 419 issued to the person depositing the funds in escrow followed by a dash and the page number of the Form 356 on which the Form 419 is shown in column (2). Each deposit of funds to be held in escrow, which is represented by separate Forms 419, shall be entered on separate consecutive lines.

(3) Enter in column (8) the farm serial number as shown on Form 419.

(4) Enter in column (9) the amount shown for the farm on Form 419.

(5) Enter in column (10) the date Standard Form No. 1047 is certified by a county committeeman and the Treasurer.

(6) Enter in column (6) the serial number of Form 419 as in item (2) above.

(7) Make no entry in column (12).

(8) Enter in column (13) the farm serial number.

(9) Enter in column (14) the amount shown for the farm on Form 419.

(10) Enter in column (15) the transmittal number of the Form 359 on which the funds in escrow were scheduled for deposit.

(11) Enter in column (16) the date Standard Form No. 1047 is certified by a county committeeman and the Treasurer.

(12) Enter in column (17) the farm serial number.

(13) Make no entry in column (18).

(14) Enter in column (19) the serial number of Standard Form No. 1047.

(15) Enter in column (20) on separate consecutive lines the names of the payees shown on Standard Form No. 1047 or related Form 325. The first payee shall be entered on the line opposite the serial number of the Standard Form No. 1047. (The names of producers not entitled to refunds will also be entered in column (20).)

(16) If an entry appears on Standard Form No. 1047 opposite the words "Applied as explained in 'Remarks' below" enter in column (20) on the line next succeeding the name of the last payee the words "Penalties Account."

(17) If there is only one payee enter in column (21) opposite his name the amount shown after the words "Balance authorized to be refunded \$ \_\_\_\_\_," appearing on Standard Form No. 1047. If there are several payees enter in column (21) the amount for each such payee shown on the related Form 325. (Zero will be entered in column (21) opposite the name of each person not entitled to a refund.)

(18) Enter in column (21) opposite the words "Penalties Account" the amount shown on Standard Form No. 1047 after the words "Applied as explained in 'Remarks' below."

b. Collections not held in escrow.

(1) Enter in column (16) the date Standard Form No. 1047 is certified by the county committeeman.

(2) Enter in column (17) the farm serial number.

(3) Make no entry in column (18).

(4) Enter in column (19) the serial number of Standard Form No. 1047.

(5) Enter in column (20) on separate consecutive lines the names of the payees shown on Standard Form No. 1047 or related Form 325. The first payee shall be entered on the line opposite the serial number of the Standard Form No. 1047. (Also enter the names of producers in column (20) who are not entitled to refunds.)

(6) If an entry appears on Standard Form No. 1047 opposite the words "Applied as explained in 'Remarks' below," enter in column (20) on the line next succeeding the name of the last payee the words "Penalties Account."

(7) If there is only one payee, enter in column (21) opposite his name the amount shown after the words "Balance authorized to be refunded \$ \_\_\_\_" appearing on Standard Form No. 1047. If there are several payees, enter in column (21) the amount for each such payee shown on the related Form 325. (Enter zero in column (21) opposite the name of each person not entitled to a refund.)

(8) Enter in column (21) opposite the words "Penalties Account" the amount shown on Standard Form No. 1047 after the words "Applied as explained in 'Remarks' below."

(b) Records of refunds to persons other than producers.

A record of each Standard Form No. 1047 prepared for refunds to persons other than producers (buyers) shall be made on Form 356 for the 1940-41 marketing year as follows:

1. Enter in column (16) the date Standard Form No. 1047 was approved by the county committeeman and Treasurer signing the copies of Standard Form No. 1048.

2. Enter in column (17) the notation "Buyer".

3. Make no entry in column (18).

4. Enter in column (19) the serial number of Standard Form No. 1047.

5. Enter in column (20) the name of the person to whom the refund is to be made.

6. Enter in column (21) the amount shown on Standard Form No. 1047 following the words "Balance authorized to be refunded."

(c) Records of transfers. A record of each Form 358 shall be made as follows:

1. Form 450.

a Enter underneath the entry on line 11(b) of column (58) the schedule number of Form 358.

2. Form 356 for the 1940-41 marketing year.

a Funds in escrow.

(1) If a Form 358 is prepared for a farm for which funds in escrow have been deposited, Form 358 shall be recorded on Form 356 in the same manner as set forth in subsection (a)2a of this section 241, except

(i) the date to be entered in the appropriate columns will be the date Form 358 is certified by a county committeeman and the Treasurer.

(ii) the entry to be made in column (18) will be the schedule number of Form 358 and no entry will be made in column (19);

(iii) only one entry will be made in column (20), which shall be the words "Penalties Account";

(iv) only one entry will be made in column (21), which shall be the total amount of Form 358.

b Collections not held in escrow.

(1) Enter in column (16) the date Form 358 is certified by a county committeeman and the Treasurer.

(2) Enter in column (17) the farm serial number.

(3) Enter in column (18) the schedule number of Form 358.

(4) Make no entry in column (19).

(5) Enter in column (20) the words "Penalties Account".

(6) Enter in column (21) the total amount of Form 358.

Section 242. Persons entitled to refunds who have died or been declared incompetent.

(a) Preparation of Standard Form 1047. In case any person who the county committee determines in accordance with the provisions of section 239 would be entitled to a refund has died or become incompetent, the Standard Form 1047 and related forms shall be prepared as in other cases, except as follows:

1. In cases where the deceased or incompetent person is the only person on the farm entitled to a refund -

a Two additional copies of Standard Form 1048 shall be prepared and forwarded to the State office.

b Enter on the Standard Form 1047 and 1048 after the word "To" the name of the deceased or incompetent person followed by the word "Deceased" or "Incompetent", as the case may be.

2. In cases where the deceased or incompetent person is not the only person on the farm entitled to a refund -

a Two additional copies of Standard Form 1048 and Form 325 shall be prepared and forwarded to the State office.

b Enter on the Standard Form 1047 and 1048 after the word "To" the name of a person, other than the deceased or incompetent person, entitled to a refund, and, if there are other

persons, other than the deceased or incompetent person, entitled to a refund, enter thereafter the words "et al. See Cotton 325 attached."

c. Enter in the space between the line entitled "Amount of deposit" and the line entitled "Applied as explained in 'Remarks' below" the words "Retained for direct settlement due

, " inserting \_\_\_\_\_ in the blank space the name of the deceased or incompetent person followed by the word "Deceased" or "Incompetent", as the case may be, and enter opposite thereto the amount due such person as a refund.

d. Enter after the words "Balance authorized to be refunded \$ \_\_\_\_\_" the amount to be refunded to persons other than the deceased or incompetent person.

e. Columns (1), (2), and (3) of Form 325 shall not be executed with respect to the deceased or incompetent person.

(b) Persons who may file a claim for amounts due a deceased or incompetent person. Any person who is an heir, the next of kin, or creditor of the decedent or incompetent shall be allowed to file a claim on Standard Form 1055.

(c) Preparation of Standard Form 1055. Standard Form 1055 shall be prepared, in duplicate, with paragraph 3 executed in lieu of paragraph 4. It is not required that the original and one copy of Standard Form 1055 be forwarded to the State office at the time Standard Form 1047 and related papers are forwarded to the State office. If Standard Form 1055 is submitted separately, the county office shall transmit the original and one copy by a letter advising the State office of the serial number of the related Standard Form 1047.

(d) Records. A record of each Standard Form 1047, whether or not the deceased or incompetent person is the only person shown thereon to be entitled to a refund, shall be made on Form 450 or 450-A and on Form 356 as provided in section 241 of these instructions, except as follows:

1. In case the deceased or incompetent person is the only person entitled to a refund as shown on the Standard Form 1047, the entry in column (20) of Form 356 will be the name of such person followed by the word "Deceased" or "Incompetent", as the case may be, and a notation shall be made in the right margin opposite the name of such person as to the date Standard Form 1055 is forwarded to the State office.

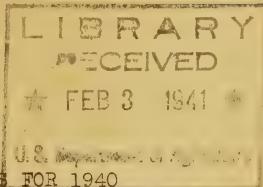
2. In case the deceased or incompetent person is not the only person entitled to a refund as shown on the Standard Form 1047, the name of the deceased or incompetent person followed by the word "Deceased" or "Incompetent", as the case may be, shall also be entered in column (20) of Form 356 and the amount which such person would be entitled to receive as a refund shall be entered in column (21) of such Form 356. The amount to be entered in column (21) will be the amount shown on the Standard Form 1047 to have been retained for direct settlement. A notation shall be made in the right margin opposite the name of the deceased or incompetent person as to the date Standard Form 1055 is forwarded to the State office.

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Cotton 408-Part II, Supplement 2  
SR, WR, NCR

Issued November 27, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE  
Agricultural Adjustment Administration



INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR 1940

PART II. COUNTY OFFICE RECORDS AND REPORTS

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G. Refunds and Transfers of Funds

Section 239. Conditions under which refunds may be made, determinations of refunds and preparation of county office records and reports.

(a) Conditions under which refunds may be made to producers.

No refund of money received in connection with the marketing of cotton on any farm shall be made under this section unless and until the following conditions have been met:

1. The farm marketing quota for the farm has been finally determined and finally apportioned or reapportioned among the producers thereon.

2. The money collected has been remitted to the treasurer of the county committee and transmitted by him to the secretary of the State committee for deposit in the Special Deposit Account and has not been transferred out of the Special Deposit Account into the general fund of the Treasury of the United States.

3. The farm operator's final report has been made and approved as provided in section 234 of these instructions.

4. The interest of every person on the farm in the money received in connection with marketing cotton is determined.

5. The total amount of money received is in excess of the sum of the penalties incurred by the producers on the farm in connection with the marketing of cotton in excess of their respective shares of the farm marketing quota.

6. The county committee has examined records with respect to the farm and has approved such records as being correct.

7. The auditor has examined records with respect to the farm and has approved such records as being correct.

(b) Determination of refunds in connection with penalties paid. Each producer on the farm shall be entitled to a refund of the amount computed for him and entered in column (64) of Form 450, or in column (34) of Form 450-A, for the farm, as provided in section 225(h) in case of Form 450, or section 226(h), in case of Form 450-A, provided that the conditions set forth in the preceding subsection of this section 239 have been met and the county committee is satisfied that such producer bore the burden of the payment of such amount and has not been reimbursed therefor by any other

person. 1/ Notwithstanding that the conditions set forth in paragraphs 1 and 3 of subsection (a) of this section have not been met, refunds may be made to the producers on a farm, provided that the county committee determines no penalties will be incurred for the reason that the final farm marketing quota will equal or exceed the sum of (1) the cotton produced on the farm in 1940 and (2) the carryover cotton designated to be marketed in connection with the farm for the 1940-41 marketing year.

(c) Determination of refunds in connection with funds in escrow. Refunds to producers on any farm of funds deposited in escrow which are in excess of penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota shall be made to the person(s) who deposited such funds with the treasurer of the county committee. No refund shall be made under this subsection until the conditions set forth in subsection (a) of this section 239 have been met. No refund shall be made under this subsection before August 1, 1941, unless either all cotton (including all cotton produced on the farm in 1940 and all carryover cotton designated to be marketed in connection with the farm during the 1940-1941 marketing year) has been marketed or, if it has not been marketed, it has been determined that no penalties will become due with respect to the marketing of such cotton if such cotton would be marketed during such marketing year. The amount to be refunded shall be the amount by which the entry on line 11(b) of column (58) exceeds the entry in line 11(b) of column (59) of Form 450, 2/ or in case of Form 450-A, the amount by which the entry on line 4(b) of column (28) exceeds the entry on line 4(b) of column (29). This amount is to be entered in line (b) of column (64) of Form 450 opposite the name of the person who deposited the funds in escrow, or in line (b) of column (34) of Form 450-A opposite the name of such person.

(d) Determination of refunds to persons other than producers. If after the audit of Forms 413-b, 415-b, and reports of marketing of unidentified cotton (section 536 of Cotton 408-Part V) it appears that the remittances received from a particular buyer were in excess of the penalties incurred, the county committee shall ascertain the reasons for the excess with a view to determining whether the excess represents (1) penalties incurred by producers and which the buyer collected or was under a duty to collect or (2) the buyer's personal funds which were remitted through error. If it is determined that the excess represents penalties collected by the buyer or which the buyer was under duty to collect from producers or other persons from whom the buyer purchased cotton, the amount thereof found to represent penalties shall be credited to the farm on which the cotton in connection with which the penalty was incurred was produced. If it is determined that the excess or part thereof represents the buyer's personal funds which were remitted through error, a refund by such amount may be made to the buyer. No refund shall be made to the

1/ See Secs. 234(e) and 232(e) of these instructions and also 704 of the Regulations.

2/ See Sec. 235(e).

buyer until the auditor has examined and approved the county office records pertaining to such buyer.

(e) Preparation of Standard Form No. 1047, "Public Voucher for Refunds" and Form Cotton 325, "Public Voucher for Refunds - Cotton Marketing Quotas - Continuation Sheet." Amounts of refunds to be made to producers on a farm shall be vouchered on Standard Form No. 1047, "Public Voucher for Refunds," and Standard Form No. 1048, "Public Voucher for Refunds - Memorandum," which have been overprinted for this purpose, as follows:

1. The original will be Standard Form No. 1047 and the four copies required will be Standard Form No. 1048.

2. Enter in the space provided the serial number which shall be the State and county code number followed by the symbol "MQ '40" and the number next succeeding the last number assigned to a Standard Form No. 1047, thus: 74-001-MQ '40-1. (Serial numbers shall begin with 1 for the first voucher and continue thereafter in numerical sequence without regard to fiscal years.)

3. The "D. O. Voucher No." will be left blank as it will be filled in by the Disbursing Office.

4. Enter the farm serial number after the words "Farm Serial No." and enter "1940-41" after the words "Marketing Year."

5. Enter the name of the State in the blank space in the expression "Department of Agriculture, AAA, \_\_\_\_\_ State Office."

6. Enter the name of the city and State in which the State office is located after the word "Location."

7. Enter the name of the payee (the person to whom the refund is to be made) after the word "To." This will be obtained from column (35) of Form 450 or column (1) of Form 450-A and will be the name of the producer for whom an entry appears in column (64) of Form 450 or column (34) of Form 450-A. If more than one person on the farm is to receive a refund, enter the name of the first payee followed by the words "et al."

8. Enter the address of the payee after the word "Address."

9. Enter the total amount remitted for the farm to the secretary of the State committee after the words "Amount of deposit \$ \_\_\_\_." This amount will be obtained from line 11(b), column (58) of Form 450 or line 4(b) of column (28) of Form 450-A.

10. Enter the total amount of penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota after the words "Applied as explained in 'Remarks' below." This amount will be obtained from line 11(b) of column (59) of Form 450 or line 4(b) of column (29) of Form 450-A for the farm.

11. Make no entry following the words "Standard Form No. 1046-Revised, No." as this will be filled in by the State office.

12. Enter the total amount authorized to be refunded to producer(s) on the farm after the words "Balance authorized to be refunded \$ \_\_\_\_." This amount will be obtained from line 11(b) of column (64) of Form 450 or line 4(b) of column (34) of Form 450-A for the farm and will be the amount by which the entry made under item 9 above exceeds the entry made under item 10 above.

13. Underneath the word "Schedule" enter the schedule number of each Standard Form No. 1044-Revised, on which remittances for the farm were scheduled for deposit to the special deposit account and underneath the word "Period" enter the corresponding period for such Standard Form 1044-Revised, and underneath the word "Amount" enter the amount scheduled for the farm on such Standard Form No. 1044-Revised. Where the farm is credited with amounts shown on several Forms 419 or 419-A, which are scheduled on the same Standard Form 1044-Revised, itemize the amount shown on the Standard Form No. 1044-Revised, to reflect the amount for the farm on each Form 419 or 419-A, thus:

<u>Schedule</u>	<u>Period</u>	<u>Amount</u>
40 Cotton 50	Sept. 1940	\$18.00
		12.00
40 Cotton 57	Oct. 1940	6.00

If additional space is needed use separate sheets and attach securely to Standard Form No. 1047. This information will be obtained from the copies of Forms 359 returned to the county office by the State office and Forms 419 and 419-A. (Note: To obtain this information will entail tracing each serial number of Forms 419 and 419-A entered in columns (37) through (55) of Form 450 or columns (16) through (26) of Form 450-A to the related Form 359. The sum of the entries under the word "Amount" must equal the entry made under item 9 above.)

14. Enter in the spaces provided the first and last sheet numbers of the continuation sheets (Form 325), if any.

15. Make no entry in the spaces provided for the date, signature, and title, as this will be executed in the State office.

16. Make no entries in the spaces provided for the description of the check to be drawn on the Treasurer of the United States in payment of the refund.

17. If more than one person on the farm is entitled to a refund, Form 325 shall be used for listing such persons and shall be executed in quintuple and attached to Standard Form No. 1047 and Standard Forms No. 1048 executed as above. Form 325 shall be executed as follows:

a Enter the name of the State and county and farm serial numbers in the spaces provided.

b Enter the administrative number in the space provided which shall be the same as the serial number of Standard Form No. 1047 entered under item 2 above.

c Enter the continuation sheet number followed by the number of sheets in the spaces provided.

d Enter in column (1) the names of the payee (all producers on the farm to whom refunds will be made). This will be obtained from column (35) of Form 450 or column (1) of Form 450-A and will be the names of the producers for whom entries appear in column (64) of Form 450 or column (34) of Form 450-A.

e Enter immediately to the right of the name of each payee the address of such payee.

f Enter in column (2) for each payee the total amount received for him. This amount will be obtained from line (b) of column (58) of Form 450 or column (28) of Form 450-A opposite the payee's name on such form.

g Enter in column (3) for each payee the total amount to be refunded to him. This amount will be obtained from line (b) of column (64) of Form 450 or column (34) of Form 450-A opposite the payee's name on such form.

h Make no entry in column (4).

i Enter the total of columns (2) and (3) in the spaces provided. The total of column (3) must equal the amount on line 11(h) of column (64) of Form 450 or line 4(b) of column (34) of Form 450-A, and also the amount shown on Standard Form No. 1047 opposite the words "Balance authorized to be refunded."

j Make no entry in the space provided for signature of the person checking the form.

18. If the person to whom a refund is to be made is other than a producer, (cotton buyer or transferree) as provided in subsection (d) of this section 239, Standard Form No. 1047 (one copy) and Standard Forms No. 1048 (four copies), which have not been overprinted shall be prepared as follows:

a Enter in the space provided the serial number which shall be the number next succeeding the last number assigned under item 2 above.

b Make no entry in the space provided for "D. O. Voucher No." as this will be filled in by the Disbursing Office.

c Insert the words "Cotton Buyer, Marketing Year 1940-41" underneath the space provided for the D. O. Voucher No.

d. Enter the words "Department of Agriculture, AAA, \_\_\_\_\_ State Office" (inserting the name of the State) after the letters "U. S."

e. Enter the name of the city and State in which the State office is located after the word "Location."

f. Enter after the words "Appropriation or fund" the following:

"Special Deposits, 03.37-66.2-200-Suspense, Collections, AAA, Marketing Quotas."

g. Enter the name of the payee (the buyer to whom the refund is to be made) after the word "To."

h. Enter the address of the payee after the word "Address."

i. Enter after the words "Deposit received from the above-named depositor on" the words "Sch. of Col." followed by the serial number and period of the Standard Form No. 1044-Revised, thus:

"Sch. of Col. 40 Cotton 25, Sept. 1940." (Note: This will entail tracing Form 419 on which the personal funds of the buyer were shown as "Suspense" 3/ to the Form 359 returned by the State office with the schedule number and period of the Standard Form No. 1044-Revised, shown thereon.)

j. Enter the words "Marketing Quotas for cotton for the marketing year 1940-41" after the word "For."

k. Enter after the words "Amount of deposit \$ \_\_\_\_\_" that part of the amount shown on the Standard Form No. 1044-Revised, as "Suspense" which represents the personal funds of the person to whom the refund is to be made and which was in excess of the penalties which were or should have been collected.

1. Make no entry after the words "Applied as explained in 'Remarks' below."

m. Enter after the words "Balance authorized to be refunded \$ \_\_\_\_\_" the amount to be refunded, which will equal the amount shown after the words "Amount of deposit \$ \_\_\_\_\_."

n. Enter in the space provided for "Remarks" an explanation of why the refund is due, for example: "Amount to be refunded was remitted by the payee through error and does not represent cotton marketing quota penalties collected from cotton producers nor was the payee obligated to collect or remit such amount to the United States."

o. Make no entry in the spaces provided for the date, signature, and title or in the spaces below the double line.

19. Enter in the lower left corner of two copies of Standard Form No. 1048, "Public Voucher for Refunds - Memorandum" the following:

"Approved \_\_\_\_\_, 19\_\_\_\_.

Agricultural Conservation Committee of  
\_\_\_\_\_ County, \_\_\_\_\_ State.

By \_\_\_\_\_, Committeeman.

\_\_\_\_\_, Treasurer."

A member and the treasurer of the committee shall sign each such copy and enter the date of their approval and the name of the county and State.

20. Standard Form No. 1047 and three copies of the related Standard Form No. 1048 (one of which shall bear the notation and signature of a member of the county committee as provided in item 19) and the original and three copies of each related Form 325 shall be forwarded to the secretary of the State committee. One copy of Standard Form No. 1048 bearing the notation and signature of a member of the county committee, as provided in item 19 of this paragraph, and one copy of each related Form 325 shall be retained in the county office in a pending file. The copy returned at the time the check(s) are drawn shall be filed in numerical order according to serial numbers. At that time the copy of the Standard

Form No. 1048 retained in the pending file shall be filed in the farm folder.

Section 240. Transfer of funds from the special deposit account to the general fund of the Treasury.

(a) Collections and remittances of funds which are in excess of penalties incurred. Where the total collections and remittances of money for any farm are in excess of penalties incurred in connection with the marketing of cotton on the farm, so much of such money as represents penalties incurred shall be transferred from the special deposit account to the credit of account 122450, Penalties, Cotton Marketing Quotas, Agricultural Adjustment Act of 1938, as amended, (hereinafter referred to as penalties account) at such time as refunds are vouchered to producers on the farm as provided in section 239 of these instructions. In such cases the submission of Standard Form No. 1047 will be sufficient authority for the State office to prepare Standard Form No. 1046-Revised, "Schedule of Transfers - Special Deposits" and take the necessary steps to transfer to the penalties account so much of the money received for the farm which represents penalties incurred in connection with the marketing of cotton in excess of the farm marketing quota. This amount will be the amount entered on Standard Form No. 1047 in accordance with section 239(e) 10 of these instructions. In such cases it will not be necessary to execute Form 358 for the farm.

(b) Collections and remittances of funds which are not in excess of penalties incurred. Where the total collections and remittances of money for any farm are not in excess of penalties incurred in connection with the marketing of cotton on the farm, the secretary of the State committee shall be advised on Form 358 to transfer such money to the penalties account. The secretary of the State committee shall be so advised as soon as possible after (i) a final farm operator's report has been made on Form 417 as provided in section 234 of these instructions and (ii) the Form 450 or 450-A has been approved by the county committee and the auditor. Form 358 shall be executed as follows:

1. Enter in the space provided the schedule number, which shall be "1" for the first Form 358 and continue thereafter in numerical sequence for each additional Form 358 prepared in the county. The number shall be preceded by the symbol "P-40."

2. Enter in the space provided the State and county code number.

3. Enter in the space provided the farm serial number.

4. Enter in the space provided for marketing year the numbers "1940-41."

5. In Part III enter in either columns (1) or (4) the schedule number of each Standard Form No. 1044-Revised, on which money received for the farm was scheduled for deposit to the special deposit account, and in columns (2) or (5) the period of each such schedule and in columns (3) or (6) the amount of money scheduled for the farm on each such schedule. Where the farm is credited with amounts shown on several Forms 419 or 419-A which are scheduled on the same Standard Form No. 1044-Revised, itemize the amount shown on the Standard Form No. 1044-Revised, to reflect the amount for the farm on each Form 419 or 419-A, thus:

<u>Schedule</u>	<u>Period</u>	<u>Amount</u>
40 Cotton 51	Sept. 1940	\$24.00 15.00
40 Cotton 58	Oct. 1940	9.00

This information will be obtained from the copies of Forms 359 returned by the State office and from Forms 419 and 419-A. (Note: To obtain this information will entail tracing each serial number of Forms 419 and 419-A, shown in columns (37) through (55) of Form 450 or columns (16) through (26) of Form 450-A to the related Form 359.)

6. Enter in the space for the total amount of deposit the sum of the entries in columns (3) and (6). This amount must agree with the amount shown in line 11(b) of column (58) of Form 450 or line 4(b) of column 28 of Form 450-A for the farm.

7. Part I of Form 358 shall be signed by a member of the county committee and by the treasurer of the county committee and the date of each signature entered in the space provided therefor.

8. The original and salmon copy of Form 358 shall be forwarded to the secretary of the State committee and the green copy placed in a pending file. The original copy, with Part II executed in the State office, will be returned to the county and when received shall be filed in numerical order according to schedule number. At this time the green copy shall be placed in the farm folder.

Section 241. Records of refunds and transfers

(a) Records of refunds to producers. A record of each Standard Form No. 1047 shall be made as follows:

1. Form 450.

a Enter in the heading of column (64) the serial number assigned to the Standard Form No. 1047, followed by the date such form was certified by a committeeman.

2. Form 450-A.

a Enter in the heading of column (34) the serial number assigned to the Standard Form 1047, followed by the date such Form 1047 was certified by a committeeman.

3. Form 356 for the 1940-41 marketing year.

a Funds in escrow.

(1) Enter in column (6) the date Standard Form No. 1047 was certified by a county committeeman.

(2) Enter in column (7) the serial number of the Form 419 issued to the person depositing the funds in escrow followed by a dash and page number of the Form 356 on which the Form 419 is shown in column (2). Each deposit of funds to be held in escrow, which is represented by separate Forms 419, shall be entered on separate consecutive lines.

(3) Enter in column (8) the farm serial number as shown on Form 419.

(4) Enter in column (9) the amount shown for the farm on Form 419.

(5) Enter in column (10) the date Standard Form No. 1047 is certified by a county committeeman.

(6) Enter in column (11) the serial number of Form 419 as in item (2) above.

(7) Make no entry in column (12).

(8) Enter in column (13) the farm serial number.

(9) Enter in column (14) the amount shown for the farm on Form 419.

(10) Enter in column (15) the transmittal number of the Form 359 on which the funds in escrow were scheduled for deposit.

(11) Enter in column (16) the date Standard Form No. 1047 is certified by a county committeeman.

(12) Enter in column (17) the farm serial number.

(13) Make no entry in column (18).

(14) Enter in column (19) the serial number of Standard Form No. 1047.

(15) Enter in column (20) on separate consecutive lines the names of the payees shown on Standard Form No. 1047 or related Form 325. The first payee shall be entered on the line opposite the serial number of the Standard Form No. 1047.

(16) If an entry appears on Standard Form No. 1047 opposite the words "Applied as explained in 'Remarks' below" enter in column (20) on the line next succeeding the name of the last payee the words "Penalties Account."

(17) If there is only one payee enter in column (21) opposite his name the amount shown after the words "Balance authorized to be refunded \$ \_\_\_\_\_." appearing on Standard Form No. 1047. If there are several payees enter in column (21) the amount for each such payee shown on the related Form 325.

(18) Enter in column (21) opposite the words "Penalties Account" the amount shown on Standard Form No. 1047 after the words "Applied as explained in 'Remarks' below."

b Collections not held in escrow.

(1) Enter in column (16) the date Standard Form No. 1047 is certified by a county committeeman.

(2) Enter in column (17) the farm serial number.

(3) Make no entry in column (18).

(4) Enter in column (19) the serial number of Standard Form No. 1047.

(5) Enter in column (20) on separate consecutive lines the names of the payees shown on Standard Form No. 1047 or related Form 325. The first payee shall be entered on the line opposite the serial number of the Standard Form No. 1047.

(6) If an entry appears on Standard Form No. 1047 opposite the words "Applied as explained in 'Remarks' below," enter in column (20) on the line next succeeding the name of the last payee the words "Penalties Account."

(7) If there is only one payee, enter in column (21) opposite his name the amount shown after the words "Balance authorized to be refunded \$ \_\_\_\_\_" appearing on Standard Form No. 1047. If there are several payees, enter in column (21) the amount for each such payee shown on the related Form 325.

(8) Enter in column (21) opposite the words "Penalties Account" the amount shown on Standard Form No. 1047 after the words "Applied as explained in 'Remarks' below."

(b) Records of refunds to persons other than producers.  
A record of each Standard Form No. 1047 prepared for refunds to

persons other than producers (buyers) shall be made on Form 356 for the 1940-41 marketing year as follows:

1. Enter in column (16) the date Standard Form No. 1047 was approved by the county committeeman signing the copies of Standard Form No. 1048.
2. Enter in column (17) the notation "Buyer."
3. Make no entry in column (18).
4. Enter in column (19) the serial number of Standard Form No. 1047.
5. Enter in column (20) the name of the person to whom the refund is to be made.
6. Enter in column (21) the amount shown on Standard Form No. 1047 following the words "Balance authorized to be refunded."

(c) Records of transfers. A record of each Form 358 shall be made as follows:

1. Form 450.

a. Enter underneath the entry on line 11(b) of column (58) the schedule number of Form 358.

2. Form 450-A.

a. Enter underneath the entry on line 4(b) of column (28) the schedule number of Form 358.

3. Form 356.

a. Funds in escrow.

(1) If a Form 358 is prepared for a farm for which funds in escrow have been deposited, Form 358 shall be recorded on Form 356 in the same manner as set forth in subsection (a) 2a of this section 241, except,

(i) the date to be entered in the appropriate columns will be the date Form 358 is certified by a county committeeman;

(ii) the entry to be made in column (18) will be the schedule number of Form 358 and no entry will be made in column (19);

(iii) only one entry will be made in column (20) which shall be the words "Penalties Account;"

(iv) only one entry will be made in column (21) which shall be the total amount of Form 358.

b Collections not held in escrow.

(1) Enter in column (16) the date Form 358 is certified by a county committeeman.

(2) Enter in column (17) the farm serial number.

(3) Enter in column (18) the schedule number of Form 358.

(4) Make no entry in column (19).

(5) Enter in column (20) the words "Penalties Account."

(6) Enter in column (21) the total amount of Form 358.

Section 242. Person entitled to refunds who have died or been declared incompetent.

(a) Preparation of Standard Form 1047. In case any person who the county committee determines in accordance with the provisions of section 239 would be entitled to a refund has died or become incompetent, the Standard Form 1047 and related forms shall be prepared as in other cases, except as follows:

1. In cases where the deceased or incompetent person is the only person on the farm entitled to a refund -

a Two additional copies of Standard Form 1048 shall be prepared and forwarded to the State office.

b Enter on the Standard Form 1047 and 1048 after the word "To" the name of the deceased or incompetent person followed by the word "Deceased" or "Incompetent," as the case may be.

2. In cases where the deceased or incompetent person is not the only person on the farm entitled to a refund -

a Two additional copies of Standard Form 1048 and Form 325 shall be prepared and forwarded to the State office.

b Enter on the Standard Forms 1047 and 1048 after the word "To" the name of a person, other than the deceased or incompetent person, entitled to a refund, and, if there are other persons, other than the deceased or incompetent person, entitled to a refund, enter thereafter the words "et al."

c Enter in the space between the line entitled "Amount of deposit" and the line entitled "Applied as explained in 'Remarks' below" the words "Retained for direct settlement due \_\_\_\_\_." inserting in the blank space the name of the deceased or incompetent person followed by the word "Deceased" or "Incompetent," as the case may be, and enter opposite thereto the amount due such person as a refund.

d Enter after the words "Balance authorized to be refunded \$ \_\_\_\_\_" the amount to be refunded to persons other than the deceased or incompetent person.

e Columns (1), (2), and (3) of Form 325 shall not be executed with respect to the deceased or incompetent person.

(b) Persons who may file a claim for amounts due a deceased or incompetent person. Any person, whether such person be an heir, the next of kin, creditor, or otherwise, of the decedent or incompetent, shall be allowed to file a claim on Standard Form 1055.

(c) Preparation of Standard Form 1055. Standard Form 1055 shall be prepared, in duplicate, with paragraph 3 executed in lieu of paragraph 4. It is not required that the original and one copy of Standard Form 1055 be forwarded to the State office at the time Standard Form 1047 and related papers are forwarded to the State office. If Standard Form 1055 is submitted separately, the county office shall transmit the original and one copy by a letter advising the State office of the serial number of the related Standard Form 1047.

(d) Records. A record of each Standard Form 1047, whether or not the deceased or incompetent person is the only person shown thereon to be entitled to a refund, shall be made on Form 450 or 450-A and on Form 356 as provided in section 241 of these instructions, except as follows:

1. In case the deceased or incompetent person is the only person entitled to a refund as shown on the Standard Form 1047, the entry in column (20) of Form 356 will be the name of such person followed by the word "Deceased" or "Incompetent," as the case may be, and a notation shall be made in the right margin opposite the name of such person as to the date Standard Form 1055 is forwarded to the State office.

2. In case the deceased or incompetent person is not the only person entitled to a refund as shown on the Standard Form 1047, the name of the deceased or incompetent person followed by the word "Deceased" or "Incompetent," as the case may be, shall also be entered in column (20) of Form 356 and the amount to which such person would be entitled to receive as a refund shall be entered in column (21) of such Form 356. The amount to be entered in column (21) will be the amount shown on the Standard Form 1047 to have been retained for direct settlement. A notation shall be made in the right margin opposite the name of the deceased or incompetent person as to the date Standard Form 1055 is forwarded to the State office.

*N. E. Dodd*

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Acting Administrator

